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FINANCIAL TIMES

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***10p



NEWS SUMMARY

BUSINESS

Import U.K. more robbery: hopeful on export sales

U.K. BUSINESSMEN have become even more optimistic about the prospects for export sales, according to the latest survey of business opinion. They regard markets in North and South America as especially promising.

The survey also shows that more companies have noted a rising trend of new orders reflecting the general economic recovery. Businessmen expect a further moderation in wage costs, but are concerned about rising costs of materials. Back Page, Page 23

PUBLIC SPENDING planned for next year should be cut by up to £2bn. to keep the growth of the money supply in line with the expansion of the economy, according to stockbrokers Phillips and Drew. Page 4

STAND-BY CREDIT provided recently by other nations to support the pound has given the U.K. a few months' grace to launch the new phase of wage restraint and prepare a sizeable cut in the public sector deficit says the London Chamber of Commerce and Industry. Page 4

BANK LENDING may have begun to taper off in the past few weeks after the recent sharp rise, which was partly due to foreign exchange market factors. Back Page

SOCIAL and political developments have been among the main factors behind world-wide inflation, it is argued in the latest issue of the Lloyds Bank Review. Page 4

POWER industry expects profit. ELECTRICITY industry is expected to announce soon a surplus of between £5m. and £10m. for 1976-77—a big turnaround from the losses of the previous two years. Back Page

POST OFFICE has told its telephone exchange suppliers that orders are to be cut further this year. Page 4

CARLSBERG will spend another £5m. to boost capacity at its Northampton lager brewery. It expects lager to account for a much bigger share of the beer market. Page 4

GLASS MAKERS have challenged Metal Box to state publicly the price of its cans. This is the latest snarl fired in the campaign by glass makers to persuade brewers to use more bottles rather than cans. Page 4

FELIXSTOWE holds ballot. FELIXSTOWE DOCK employees are being asked to vote in a secret ballot on whether they prefer the British Transport Docks Board or European Ferries to own the port. Page 4

INDUSTRY can obtain more State aid for development and expansion in the U.K. than a number of other major industrial nations of Northern Europe, according to a study. Page 4

STOCK EXCHANGE turnover fell 11.5 per cent. to £7.4bn. last month—less than half January's record £16.8bn. and the second lowest monthly total this year. Page 4

HAMBRO LIVE has provisionally set July 18 as the date of its stock market flotation. Back Page

NORCROS has reached agreement in principle to take over Primark Corporation of California. The move would give Norcros its first manufacturing base in North America. Page 4

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Italy: Big two fight for middle ground 11-12

COMPANIES

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Key money: correction of 50 years' aberration

BY JUSTINIAN

FOR OVER half a century Parliament has consistently outlawed "key money," that is the payment of money by an incoming tenant as the price for obtaining a tenancy protected under successive Rent Acts. The normal way of acquiring an illegal premium is to put a price on the fixtures and fittings left by the outgoing tenant far in excess of their actual value.

It was not until a week ago when the House of Lords in *Farrell v. Alexander* construed section 85 of the Rent Act 1968 (which had a lineage dating back to 1919) that a tenant occupying premises under a protected tenancy who requires or receives a premium from his successor as a condition of surrendering his lease to his landlord was held to have committed an offence. Hitherto the legislation had, according to the decisions of the courts dating back to 1921, left a loophole in this instance.

The facts of the case disclose the unusual feature that required such exalted judicial consideration. Mrs. Alexander had a protected tenancy of a flat owned by the Church Commissioners. The tenancy had some four years still to run. She negotiated with Mrs. Farrell and her daughter with a view to assigning the lease. The Farrels were asked for £4,000 for the fixtures and fittings. Though no one had put a precise value on the fixtures and fittings it was certainly less than the £4,000, so that the balance was a premium for the proposed assignment. In asking for it Mrs. Alexander may have been committing an offence. Had the transaction gone through as an assignment the law was clear that an illegal premium had been required and received.

Agreement

The Church Commissioners, however, in accordance with their normal practice as reflected in a clause in the existing lease, required Mrs. Alexander to surrender the lease subject to acceptance of the surrender and to the simultaneous grant by them of a new lease to the Farrels.

A formal agreement was drawn up under which Mrs. Alexander agreed to surrender the lease subject to acceptance of the surrender by the Church Commissioners and to the simultaneous grant by them of a new lease to the Farrels. On completion, the new tenants were routes through the Rent Act, to pay to Mrs. Alexander the £4,000 for fixtures and fittings; the money was in fact going to an outgoing tenant of protected tenancies in the legal text books on the Rent Acts.

Escape route

And there, so far as the layman is concerned, the matter rests. There are now no escape routes. That conflict will provide amusement and discussion in the Temple long after *Farrell v. Alexander* has been consigned to and buried in the legal text books on the Rent Acts.

There had been some suggestion that the whole transaction had been an assignment from Mrs. Alexander to the Farrels, in which case the law would have presented no problem. That would be an illegal premium situation. The judges were clear that the surrender of the lease and grant of a new one was not a sham or a subterfuge; it was what the Church Commissioners required for reasons of their own. The Church Commissioners had no interest in the "premium," and so the bald question was whether it is illegal for a tenant to require or receive a premium as a condition of surrendering his or her lease and in order that a new lease may be granted to the payer of the premium.

Section 85 of the Rent Act 1968 provides that "any person" who requires payment of a premium or receives a premium "in addition to any rent," as a condition of obtaining a protected tenancy, commits an offence. The question argued at considerable length was whether the words "any person" were wide enough to include landlords, tenants, agents or middlemen. Mrs. Alexander's counsel had contended with much ingenuity that the later words "in addition to rent" had the effect of limiting "any person" to a landlord or tenant receiving rent from the tenant or subtenant respectively. It was contended that the legislative history of this provision of the various rent restriction Acts and the decision of the courts bore out this argument. Hence the protracted arguments and long judgments tracing the history and analysing the cases. That apart, Lord Wilberforce declared pithily: "The words 'in addition to rent' are descriptive of the character of the payment and not of the recipient." The transparently clear words of section 85 meant, therefore, that the tripartite agreement in this case was caught by the section.

Lord Denning in the Court of Appeal added a special reason for his dissent in departing from the fully established and sound doctrine of precedent, by saying that the result of the appeal to the House of Lords was "a foregone conclusion." This attitude was roundly condemned by the one dissenter in the Lords, Lord Russell of Killowen, who unreservedly disapproved of such wayward judicial behaviour. That conflict will provide amusement and discussion in the Temple long after *Farrell v. Alexander* has been consigned to and buried in the legal text books on the Rent Acts.

Capt. Phillips has two horses, Favour and Persian Holiday. The British show jumping team is named only as team A: Graham Fletcher, Alan Lewis Jones, Richards, and Hopkins.

The Welsh county have always had an indifferent record in limited-over cricket. They have beaten only one first-class county, Northants, in the Gillette Cup since its inception. However, they appear at last to have come into their own in a bright counter-attack with much-improved performances in challenging declaration which the John Player League.

APART from the wonderful paving the way to victory in a weather, cricket had a most encouraging week, with plenty of evidence that there are young players around capable of making their mark in the first-class games.

Providing one was not a bowler, St. Helen's on Saturday was a delightful place to be.

Runs flowed briskly and there was time for a swim in the intervals.

Notts, enjoying their best season for some time, revelled in the perfect batting conditions. Massen, aided by several uncharacteristic lapses in the field, provided an entertaining century and received suitable assistance from Todd and Johnson, both members of the up-and-coming brigade.

But the most exciting stroke play was provided by the South African, Rice, who hit the ball so hard straight through the line that one instinctively knew that he had learned his cricket overseas.

Glamorgan, a national rather than merely a county team, who had gained their first win only in the immediately preceding match, have been handicapped by bad weather, strangely in such a year. Their biggest weakness, which was thoroughly exposed by Notts, is an anemic attack. They lack both genuine pace and class spin. Without either, they cannot really hope to make much impression in three-day cricket.

The most interesting bowler was Savage, who is different. He bowls his off-cutters with the keeper standing back and already has acquired sufficient control to allow him to make do with only three fielders on the off side. He does make the ball dip in the air, and is a natural match-winner on a bad wicket.

Finally, congratulations are due to the Oxford captain, Marks, who, in addition to terms with its special requirements, as can be seen in their bat, made a positive and much-improved performances in challenging declaration which the John Player League.

By the time they were into volllering errors he had the second set to serve had disappeared beneath the net. Borg's returns became smitten with dipping top spin from both wings to the dancing feet of the incoming Nastase, that the Romanian was broken twice in the third and seventh games.

In between, Nastase was passed a note, from his friend Jim Connors, it transpired. He read it as he sat slumped in the chair but the advice it contained—to break free and play his normal extrovert game was ignored.

As the score raced from 3-3 to 6-2, Nastase won only two points. As Borg served for the year, Nastase, a losing finalist to Stan Smith in 1972, is again cast in the role of bridesmaid, with a cheque for £7,000 to compensate.

Although Nastase had won seven of their 10 previous meetings since 1972, this was their first encounter on grass and it was generally considered that the greater experience and nine years' seniority of Nastase would tip the balance in his favour.

Misleading

The start was misleading. Nastase, with a tight rein on his normally extrovert behaviour, won the first three games after surviving a break point in each of his first two service games. Borg then staved off three points that would have put him 4-4 behind and proceeded to whip the ball past the stumbling Romanian for 1-3 and then broke back with the aid of a Nastase double fault.

But now, despite the restricting effect of two painkilling injections in his injured stomach, Borg began to open his shoulders on service. He peppered the service lines so consistently that Nastase must have been in danger of becoming blinded by the chalk and dust that flew from the bone dry surface.

But the respite was temporary. Against a rising tide of Swedish thunder, Nastase was still floundering and with two simple winners.

YACHTING

Long drift

By Alec Beiby

THE ANNUAL ocean race, the Morgan Cup, over the Royal Ocean Racing Club's 100-mile course, was a long drawn-out affair.

None of the 90 large sailboats in the top four classes 30 to 205-mile boats had a finish of Southsea's evening.

The smaller yacht is five to eight, sailing a mile course, managed.

Against a rising tide of Swedish aggression, Nastase was still

floundering and with two simple winners.

CRICKET

BY TREVOR BAILEY TENNIS

Half this new crop of Blues will be asset to the game

Borg power gives Swed world-coveted title

THAT REMARKABLE 20-year-old prodigy Bjorn Borg, who has been setting records since he was 15, became the first Swede to win the world's mostcoveted tennis title at Wimbledon on Saturday.

Romanian was broken twice in the third and seventh games.

With the defeat of B King and Betty Stove 6-3 to Chris Evert and Navratilova, in the doubles final, Jim Connors, it transpired. He read

it as he sat slumped in the chair but the advice it contained—to break free and play his normal extrovert game was ignored.

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OLYMPICS

ATHLETICS

BY MICHAEL THOMPSON-NOEL

Princess Anne in British three-day event team

Foster, Walker in record bid

BY MICHAEL THOMPSON-NOEL

LONDON YESTERDAY, Stock-holm to-night. Looking for a else wants."

Two 1500m runs in 24 hours speed win as boost for Montreal, Britain's David Foster races over 1500 metres in Stock-holm this evening—his last race distance preparation but then before the Olympic 5,000, and Foster is no stick-in-the-mud.

"In the past two weeks I've been here there—mostly at my ankles. But I want a 1500m win to take to Montreal. I want it badly."

In yesterday's 1500, Foster was one second faster than Rod Dixon's last lap when the New Zealander ran a 3:56.44 miles at Crystal Palace two weeks ago.

David Jenkins just a mile away from Jan the veteran Pole.

On the field, the honou Poland's epicene high jump was the record holder, who

is experienced enough to do running of our best girl athlete, at 2.21m. (7 feet 3 inches)

At Crystal Palace yesterday, Foster ran a breezy 1500m, but Dixon will be Foster's No. 1

Canada's David Hill (3:41.92). The other highlight of yesterday's second session of a tri-tri-bend I thought I could get to him. Poland and Canada was the record holder, who

I'm experienced enough to do running of our best girl athlete, at 2.21m. (7 feet 3 inches)

ROWING

BY CHRISTIAN TYL

Grand triumph for Tradesmen

PRECEDENTS of all kinds were set packing on Finals Day at Henley Regatta. First, the final of the Grand, traditional climax of the regatta, became a fiasco as the Leander eight struck a log early on, lost their rudder and ended up stewed across the river.

The umpire allowed a re-row (the second of the regatta), but only after Thames Tradesmen had dutifully completed one mile 550 yards.

Leander then withdrew from the elite coxed fours final also against Thames Tradesmen, apparently to save their oarsmen for the re-row of the Grand. The Tradesmen had had there to row over to take the Prince Philip Cup before lunch another fruitless endeavour.

A greater disappointment came in a first-class final for the Wyfold coxless fours when London Rowing Club fought a grueling race to beat record holders Potomac in 6 mins 56 secs, by just half a length.

On Saturday, with a following breeze, Potomac had clocked 5:54.

But Holy Spirit High School from New Jersey, raised the Stars and Stripes with a victory over Emanuel School in the Princess Elizabeth Challenge for schools.

Wednesday Scullers took Etonians cored four Wallingford Schools in 7:22, paired with their record 7:6 minutes 25 seconds, despite University of Pennsylvania in tions.

RACING

BY DOMINIC WIGA

Three who may take doubles

TRIPAN, WHO trimmed three seconds off Brigadier Gerard's course record for Ascot's 11 miles last month, lowered another track record when out-pointing the 2,000 Guineas winner, Willow, in Saturday's Eclipse Stakes at Sandown Park.

François Boutin's handsome bay, who must now be considered to be out on his own as the best 14-mile specialist in Europe, never looked like being caught in the closing stages.

Willow tried hard to close the gap in the last furlong, but the Frenchman always had his measure and had two lengths to spare at the line.

Turning to to-day's sport, three men who could be in for a profitable day's racing are Barry Hills, Denis Smith and Michael Stoute. I expect each of these highly successful trainers to achieve doubles.

EDINBURGH 2.00-Friendly Jester 2.30-Relative Ease 3.00-Timbo

3.30-Hydrographic 4.00-Adamo 4.30-Lutes 5.00-Prints

PONTEFRACT 3.45-Don Fortune 4.15-Cordial 4.45-First Quay 5.15-Finite

WINDSOR 7.35-Adagio

WOLVERHAMPTON 6.45-Gradiva 7.40-La Couronne 8.45-Concierge 9.45-Botanist

Michael Stoute, whose 40-strong Beech Hurst Newmarket team has already won 20 races this term, may have his first handicap mark.

This compact American filly colt gained a well-deserved success when cleverly justified odds of 4-7 at Brighton week. I shall be surprised if she cannot account for some consistent sort.

Char-Reverse, in the Wenthurst Stakes at Pontefract.

Stoute's lightly-weighted La Couronne should provide answer to the Wivenhoe Stake.

A slightly disappointing 2 behind Devil's Dike and Bod at Catterick a month ago, will find La Couronne out of the Nease more.

Bastille, on his guillotine, in the past few weeks to a

modest opposition from

the solution of last Saturday's prize puzzle will be published with names of winners next Saturday.

THE WEEK IN THE COURTS

Space

Sweat Hanratty in Hell by B. A. YOUNG

BY JOHN RILEY

Andrew Carr, the author of now in jail. The arguments presented are that Alphon was tortured; maker two allegations. The first is that he was hired by a man who wanted Miss Storie's identification of Hanratty into a television spectacular called "Foil the Felon," an absolute masterpiece of bad taste that lacks either the value or the wit to justify itself. I am no campaigner against bad taste, but like everything else in the arts it must be put to proper use.

Billy Hamon gives a splendid performance as Hanratty, the cocky young petty criminal, and Ken Colley a sinister rendering of the fascistic Alphon (though there is not enough in the script about Alphon's constant confessions and retractions). Ronald Lewis plays the efficient police inspector along well-charged lines, and Robert Russell plays his brother, a dopey constable with a weakness for lipstick and mayhem.

Mostly Mr. Carr contents himself with actual, verifiable evidence in the case and adorns it with police brutality and dis-

cerns in what has become a reconstruction by two routine among writers question-

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HOME NEWS

More telephone equipment orders are cut

BY CHRISTOPHER LORENZ, ELECTRONICS CORRESPONDENT

THE POST Office has told its telephone exchange suppliers that orders are to be cut further this year.

The reduction is much less dramatic than last autumn, but is concentrated on the programme for electro-mechanical designs, where it represents a drop of nearly 6 per cent. The schedule of orders for more modern, semi-electronic exchanges is unchanged.

The manufacturers — GEC, Plessey, Pye and TMC and Standard Telephones and Cables — were given the news in April, six months after the Post Office's previous "profile" of forward ordering, which, taking all exchange types together, was itself almost 25 per cent below the original programme for 1976-77. Taking all designs together, the new cut amounts to an additional three per cent.

In spite of the apparently minor amounts — about £4m. at constant (Nov. 1974) prices — the cut will have some impact on employment, especially since it affects labour-intensive electro-mechanical equipment. Unlike last autumn, it will not cause mass redundancies.

The cut appears to dash any hopes of a short-term restoration of orders in response to the dramatic turn-round of Post Office telecommunications — which produced a much larger profit in the 1975-76 financial year than the £30m. it had forecast.

This performance was partly due to demand for telephones, as well as traffic, proving slightly higher than expected

Bottles 'cheaper to use than cans'

By Kenneth Gooding, Industrial Correspondent

THE BATTLE between bottles and cans has flared up again in inflation, especially through its impact on labour costs was of at least equal importance; this has no direct effect on the Post Office's equipment requirements.

When a substantial turnaround in Post Office profits first became publicly apparent in the spring, the Post Office claimed that the improvement in demand and traffic had been taken into account in its October profile of equipment orders to industry. Subsequently, its profit estimates rose still further, but its assessment of equipment requirements dropped as it reassessed the amount of overcapacity already in the network.

April orders of electro-mechanical switching equipment for "works" going direct to exchange buildings were about £20m. at November, 1974, prices, nearly 14 per cent. down on last October's forecast.

This reflects drops of over 20 per cent. on "stronger" designs and about 8 per cent. on crossbar and brought their joint volume down to the equivalent of a theoretical "worst case" warning which the Post Office delivered last September.

Half the new cut has been effected by an increase in the orders for "stores" (equipment which goes into Post Office stores). This will be distributed to exchange sites where needed, one of its functions being to act as a buffer to meet any quick buildup of demand in parts of the country.

Study of incentives to industry rates Britain best

By Roy Hobson

A STUDY of incentives on offer to develop industry by Government of the Common Market and Eire, by permitting full depreciation of all equipment during the year of purchase and half depreciation of buildings during the year of construction, puts Plant Location International, of Brussels, an international consultancy specialising in the location of industry. The company advises a number of multi-national groups on investment strategy.

The study rates the British package of industrial assistance available to companies wishing to build or expand factories as superior to the benefits provided by West Germany, France, Belgium, Holland, Luxembourg or Denmark.

In all cases of potential investment situations Northern Ireland makes the best package of incentives within the Common Market, and also offers ranges of industrial incentives that rate highly.

Wide range

The U.K. system is shown to offer a consistently high-value package for industrialists applying to a wide range of potential investments.

To arrive at fair comparisons between the widely differing forms of aid, grant, and tax relief offered by the Common Market countries to industrialists the survey uses the technique of comparative analysis.

A selection of theoretical industrial investments, ranging across the spectrum from labour intensive to capital intensive, are tested against the investment packages of the nine countries and the results are compared.

Dr. M. J. De Meirlier, who founded Plant Location International 15 years ago, contends that industrial incentives are still the most complicated and the most often misunderstood factor in the process of a company deciding its future investment programme.

"A Comparative Analysis of the Incentives Offered to Industry in the Common Market Countries," Plant Location International, 17 Stratton Street, London, W.I., and International Centre Rogier, Brussels. £250.

Carlsberg to invest £6m. more

CARLSBERG is to spend another £6m. (at 1976 prices) to bring its U.K. lager brewery at Northampton up to full capacity by the autumn of next year, writes Kenneth Gooding.

The company has revised

steeply upwards its estimate of

demand for lager in the U.K. Mr. Derek Cook the marketing director, says he is now expecting 40 per cent. of the total beer market to have switched to lager by the early 1980s.

Carlsberg, which is part of United Breweries of Copenhagen, invested £15m. to bring the Northampton brewery on stream in May, 1974. Since then another £6m. has been spent.

The planned £6m. will mainly

be spent on 20 more 3,000-barrel

(884,000-pint) lagering tanks to be installed. This will take the final capacity at Northampton from the original 611,000 barrels a year to 1.5m. barrels (432m. pints).

From next year onwards Carlsberg will be selling more than that in the U.K. where the brand accounts for around 13 per cent. of lager sales.

Survey shows lemonade group in red

THE R WHITE soft drinks business reported pre-tax losses totalling more than £1.5m. over a three-year period just after it was taken over by the Whitbread brewing group, writes Kenneth Gooding.

The worst year was that which ended in February, 1974, when White recorded a pre-tax loss of £1.2m. on sales.

Jordan Dataquest disclosed this situation in the latest industry study which gives detailed financial analysis of more than 100 companies in the soft drinks industry.

The firm's loss in the 1973-74 financial year was associated with White's move from its two old plants to a new £3.5m. factory at Beckton in East London and the heavy depreciation element in the accounts that involved.

"Soft Drinks," £49 from Jordan Dataquest.

CBI 'to put full weight, behind inflation talks'

By ADRIAN HAMILTON

THE CONFEDERATION of British Industry will put full weight behind development of industrial strategy and early discussion of the next phase of counter-inflation policy within the forum of the National Economic Development Council, according to Lord Watkinson, the new president.

Lord Watkinson, speaking before Wednesday's NEDC industrial strategy meeting, said that the CBI was committed to the NEDC forum and was looking to the NEDC discussions rather than individual negotiations with the Government to develop a common approach to the next round of wage restraint.

Indicating the CBI's position in these talks, he suggested that industry was willing to accept many Government policies which it disapproved, including nationalisation of shipbuilding and aerospace, the establishment of the National Enterprise Board and development of sectoral planning agreements, provided that the Government acted on its expressed belief in the need for a "thriving and profitable private sector."

Companies were pulling capital expenditure projects out of the drawer and were ready to invest. But industry would be seeking in return "deeds and not just words" from the Government, said it would be urging "in the hardest possible terms" a better deal for middle management.

Lord Watkinson, speaking personally rather than in his capacity as president of the CBI, said that his way was the way he saw the CBI going. "I've made it clear that I will resign if they don't accept it"—and that he had gained the backing of the council, regional chairman and the new advisory committee set up to advise the president.

Support

The essence of the CBI approach was "development of a plan for national strategy and discussion of the next phase of wage and price restraint at the earliest possible moment."

The CBI's "full support" of industrial strategy based on sectoral working parties marked a clear change from its earlier disillusionment at the end of last year. "I've been reproached by several Government members for saying that the original Chequers meeting [to set the strategy in motion last November] ran into the sand."

"But I don't withdraw that. What's happened now is that the Government has moved towards the middle ground. It's accepted the need for profit in industry and a diversion of resources into the productive sector. We're not to argue about where the fixed economy has got to but to accept that it's here, make it work and make sure we keep pushing the Government further in the right direction."

"We've been disappointed. We were badly disappointed after Chequers. So we're going to need to be constantly convinced by Government action on the price code, on the strategy, and on its own words

to do."

"We need to get imports down by increasing agricultural output, by making a major effort on recycling of waste. We need a much tougher multi-share agreement. We can't go on busing our gut trying to increase exports without doing something to improve domestic production as well."

"It would be the next stage of the strategy that would be important as work of the sectors was fed into Government budgetary planning and as broader economic plans were worked out. The point is that we're beginning to run together

LORD WATKINSON
Deeds not words

for an on-going strategy in which the C take part."

Restraint

This should include in the strategy work itself a discussion in the NEDC agreed policy on wage prices beyond next August including the possibility of some wage restraint bargaining units in return leaving price control a basis of margins only.

"This is not a re-trap. What we want more open discussion NEDC, with the Government reporting back to the NEC its Budget and policies a NEDC report to Parliament."

The "marketers" the C setting out as it prepares views on a national strategy included the four for higher management

ings. While the CBI might existing nationalisation plan would accept no further nationalisation unless for a "industrial reason."

Concern

It accepted planning meetings as long as they sectoral agreements, but Watkinson felt that the could play a useful role as it was confined to main State assets which it had handed and developing technology for which it might not be used.

Industrialists were worried that the Bullock Committee "should not lead to a sudden imposition of taxation. We've got to have more discussion on this."

"The CBI has moved away over the past year. We've accepted what we never have accepted before the way of the need for control as the price of control."

The membership approved this change and the CBI part, was prepared to promote investment and to go some towards monitoring investment performance.

"Don't forget we operate voluntary price control months. We have the survey which tells us something about investment and going to develop this."

All this involves changing the CBI and Lord Watkinson said he was looking for a relationship with nation industry members in which spoken on some issue for gives but joined the CBI general policy calls, and new relationship with I and the Opposition.

He believed that now it's time to come to grips with problems of the economy: the NEDC forum was the one to do this; that the should play its full part not in responding but in initiating strategy could point the v

Lardinois to open the Royal Show

By JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

THE ROYAL Show will be held on the 2nd of August, 1975, at the Royal Agricultural Showground, near St. Albans, Hertfordshire.

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The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● RADIO & TV

Bright picture for U.K. venture

WHILE MANY electronics companies frequently talk of large "picture-frame" flat TV screens and have for years been seeking the technology breakthrough which such a development entails, an imaginative market for wide-screen TV has been building up, primarily for use in public places, but also for the "home that has everything."

But although component prices have fallen sharply, demand for the available quality projection television is such that, if anything, there is a scarcity market and prices have tended to firm.

Because of this somewhat anomalous situation—none of the big names in set making appear to have tackled the market—and forecasts that in America alone, there will soon be an annual market of around £150m., a U.K.-based group has set out to capture the top of the world market with equipment that can only be described as outstanding.

It projects a brilliantly clear picture on a 7-foot diagonal screen using a projection tube of advanced design on which some 17 U.S. patents, inter alia, have been taken out. Interestingly, there appear to be no patents in that country in this particular area.

Being built entirely in Britain at a plant near Billingshurst, Sussex, it uses 95 per cent local components and is backed by a technical team which has spent two years on perfecting the product.

Picture clarity derives from two factors. The tube provides more light than in the best of the competition and focusing and static convergence control is simplicity itself. At the same time, the screen is coated with a scratch and finger mark proof

● POLLUTION

Aeronca is naturalised

CELEBRATING its emergence as a fully owned U.K. company after seven years as the subsidiary of a U.S. group, Aeronca International is making a world launch of an electrostatic precipitation unit for use in plant with severe air pollution problems, such as that caused by welding.

Special attention has been paid to sound quality and ease of maintenance. All solid-state components are mounted on nine easily replaceable cards.

It has been decided to give a warranty of a year on the set and of two years on the tube for non-commercial uses and to seek the backing of a TV service company which has world-wide facilities.

The originator, Zygma Electronics, is a privately owned entity which could expand very fast, even though its product costs just under £5,000. The Wall Street Journal and several other U.S. publications have identified projection TV as the next area of the entertainment industry to blossom and several apparently fanciful predictions for expansion have been made.

Zygma's UK plant has a 15,000

set per year capacity and while it is working at nothing like that, an order backlog is building up. Coming shortly is a television adaptor and a rear-view projection model for places where the viewing space must be kept clean.

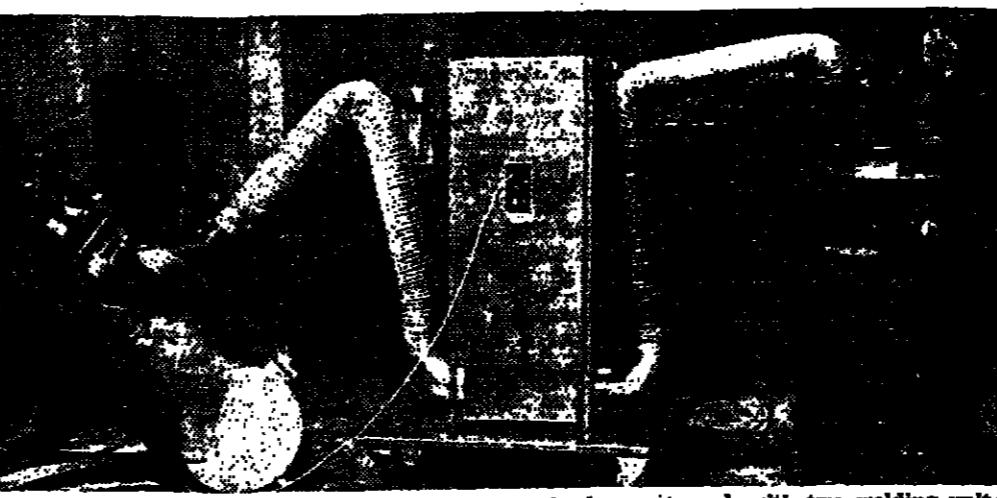
Aeronca, which is required to change its trading name in the next 12 months, will continue to specialize in its lines of electrostatics, air conditioning, air pollution control and liquid filtration and while its financial links with the U.S. company have been severed, there will continue to be close technical collaboration.

Of the new Mistral unit, the company says it will prove a boon in cold weather since it removes pollutants from the air and returns the warm air to the plant environment.

Two independently positioned ducts allow two welding or other operations to be covered simultaneously. Conventional mains power is required and the filter is easily withdrawn for simple cleaning.

Any airborne pollutant down to 0.03 micron particle size can be handled, including dusts from burning metals, oil mists and grinding dusts.

Water content in new charges of insulating fluids can be reduced from 50 ppm to less than



Aeronca's Mistral electrostatic fume treatment unit shown at work with two welding units simultaneously. It will cope with most common industrial pollutants including oil mist.

Aeronca management sees the present scouring weather across Europe as a source of further business since so many air conditioning plants have been shown to be inadequate to cope, at least for weeks on end. The company claims to be the market leader in Europe in air terminal installations.

Aeronca International, Penarth Road, Cardiff. 0222 387873.

Purifies oils and fluids

RECLAMATION OR continuous conditioning of mineral oils and synthetic fluids by vacuum distillation can be carried out with the APVAC purifier from APV-Bowes Filtration, 21 Progress Way, Croydon, Surrey CR9 4XD, (01-81 0428).

Made of stainless steel, it is intended for the removal of acidity from mineral oils, glycols and phosphate esters (used in power station hydraulic control systems). It can be supplied as a static or mobile unit.

Grossly contaminated oils or fluids can be treated, while for insulating oils, such as those used in extra-high-voltage power transmission systems, there are similar units called BOWVACS, with throughput capacities from 120 to 3,000 gal/hr.

Water content in new charges of insulating fluids can be reduced from 50 ppm to less than

5 ppm, and gas/air contents to below 0.25 per cent.

Fluid at controlled temperature is introduced into the vacuum chamber, where water, gases, volatile contaminants and some solid matter are removed. Glass fibre cartridge filters speed the process of water and fine particle removal as the fluid enters the chamber.

A typical performance, quoted by the maker, is the reduction of water content in a single pass, at 80 deg. C. from 3,000 ppm to less than 1,000 ppm, and air content from 3 to less than 0.65 per cent by volume; 99.9 per cent of solid contamination above 1 micron particle size is also removed.

The trailer is basically of a double conical hopper design which gives the maximum slope to the centre discharge point. It has a low centre of gravity for greater stability. The single compartment tank has a capacity of 4,250 gallons. The hopper body is supported by angle section rings on front and rear "A" frames which carry the running gear and upper coupling. Tandem axle running gear and two speed landing gear is fitted.

The overall weight design casters for both 32 tons gross trailer weight or a possible 36 tons gross depending on the specific gravity of the effluent being carried.

Values from 0.01 pH to microfarads can be measured with test frequencies of 1 to 1 kHz. Test voltages, a justifiable and bias can be internally or externally, measurement takes place than 250 milliseconds or have accuracy of the milli per cent.

Patents have been granted or applied for in many countries.

Further technical information on this development from Dr. J. A. Catherall, Finsen Steel-

mills, Tamworth, Staffs. B78 3TL, Tamworth 4114.

Carrying hazardous effluent

CONVERSIONS to provide Land Rovers and similar vehicles with their own standard electricity supply without any integral loss of carrying space in the rear have been developed by Transpower, of Leigh-on-Sea, Essex, based on Alaris' 7.5 kVA and 10 kVA generating sets.

Complete conversion can be carried out in one working day following a previous appointment. It calls for the positioning of a generator in the centre seat of the vehicle, and fitting of a pulley driven from vee belts via a prop shaft which utilises the existing power take-off flange on the Land Rover gearbox.

The move follows 50 current conversions which have clocked up thousands of hours of successful operation thanks to two separate safety systems giving protection against overload and earth-leakage through circuit breakers. Two single phase outlet sockets at 110 and two at 240 volts are incorporated in a control panel fitted with a voltmeter, ammeter, frequency meter, a special "hours of run" meter, and other voltage specifications are available including three-phase.

Transpower, 15 Stephensons Road, Leigh-on-Sea, Essex. 0702 523313.

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Transpower, 15 Stephensons Road, Leigh-on-Sea, Essex. 0702 523313.

The network—which will

be

supplied by a Burroughs 600

computer and already has 300

terminals connected

to

police

throughout

the

country

with quick access

description and ownership

road vehicles via a

facility. In the future it will

provide identification in

on

persons and other police

data.

Terminals serving will

be

tailored

for

concrete

system

use.

The computer, events &

applications in justice &

workings, order entry, traffic

control and data retrieval

from 193 Great Portland St

London NW1 8FD (01-550 76

76)

of the Thermal

Establishment of

Bourbonne les Bains

(Haute Marne)

Sealed Tenders

To be sent in double sealed envelope to the Minister of Health, Ministry of

Health, Director Général de

Santé — Sous-Directeur des

Services de Prévention et de

Défense, 20 rue d'Estrees, Paris 75761, France, October 6, 1978, at 12 P.M.

The State is offering the management of the Thermal Establishment of Bourbonne les Bains from January 1, 1979.

Visits

Rehearsals to be made direct to the Thermal Establishment of Bourbonne les Bains daily, except for Sunday between 2 p.m. and 6 p.m. (except 90.07.20).

Information and Peru

of the Specifications

A copy of the specifications will

be sent on request to any interested party. The entire file concerning the project may be consulted at the following addresses:

— Direction des Services Financiers et Généraux, Génie Administratif, 52000-CHAMOIS (Tel. 03.13.90)

— Direction Départementale de l'Action Sanitaire et Sociale de Haute Marne, 52000-CHAMOIS (B.P. 52000-CHAMOIS) (Tel. 03.30.30)

— Service Générale de Public

75436-Paris Cedex 09

— Direction Générale de la Santé Sociale, Action de la Santé Sociale et Défense, 20 bis rue d'Estrees, 75007-PARIS

ART GALLERIES

SYRIAN STORING & DISTRIBUTING CO. PETROLEUM PRODUCTS "SADCOP" NO. 4524

Date: 01-07-78
Advertisement for call of offers of Top Urgency

The Syrian Storing & Distributing Co. Petroleum Products Division (SADCOP) invites tenders for the supply of 100,000 LPG cylinders capacity 12.50 Kgs within the following conditions:

1. Submission of Offers:
Offers must be delivered to the Branch office—Damascus—Oil Ministry Building, Farhat Al-Khalid Floor 6 Room 101.

2. Calculation of Offers:
Calculation of offers relate to the following conditions obtainable from SADCOP's Finance Directorate Contracts Dept.

3. The Price:
Price in Syrian Pounds to be paid to SADCOP's Cashier against an official receipt.

4. Deposit:
Offerer guarantees 2% of the offer value.

Final Guarantee: 5% of the final award's value.

The offerer to be confirmed by Syrian Commercial Bank or Vida approved cheques.

Offer is considered to be valid for 45 days.

Price for delay:
At 2% per day thousand of the total value of contract for each day of delay.

5. Delivery of Offers:
Offer for submission of Offers:

Offers will be accepted until end of day 10-07-78, 10 hours of Saturday 14th Aug. 1978.

6. Opening of Offers:
Offers to be opened on Sunday 15-07-78, 10 hours.

With shortest possible time.

7. Payment:
Payment will be submitted in another closed envelope. Technical offer and both envelopes must be put in another envelope.

Any offer not abiding by any of the above mentioned conditions will be rejected.

General Manager

MORAHMED NADIM BADLER.

MINISTRY OF ELECTRICITY
No: 46

CALL FOR TENDERS 456 EXTENSION FOR THE PROJECT OF OFFERS

Further to our last call for tenders No 456 dated 23/7/78, we invite tenders for the extension, delivery, erection of steam power plant with a capacity of 12.50 M.W. At the request of several manufacturers who decided to extend the closing date for tenders by one month, we have decided to extend the closing date for tenders by one month, i.e. till the end of working hours of 26/7/78.

Office: 26/7/78 in Ministry of Electricity offices in Damascus.

Minister of Electricity

Eng. H. Sefer

Directorate of Public

75436-Paris Cedex 09

Tel. 742.5280, ext. 204

— Direction Générale de la Santé Sociale, Action de la Santé Sociale et Défense, 20 bis rue d'Estrees, 75007-PARIS

SAUDI ARABIA

Government tenders put

listed daily in ARAB NEWS:

Saudi Arabia's first English

language newspaper.

Subscriptions and advertising

Businessman's Diary

U.K. TRADE FAIRS AND EXHIBITIONS

Date	Title	Venue
To-day	Royal Agricultural Show (cl. July 8)	Kensington
July 8-17	Ideal Home Exhibition	Huddersfield
July 15-17	BMA Pharmaceutical Exhibition	Bloomsbury Centre, W.C.1
July 16-24	Brighton Antiques Fair	Corn Exchange, Brighton
July 18-20	Hairdressers and Beauticians Trade Fair	Royal Lancaster Hotel, W.2
July 18-22	Harragate Gift Fair	Harragate
July 20-22	Royal Welsh Show	Builth Wells
July 25-Aug. 1	International Cycle Show	Harragate
July 30-Aug. 1	Gt. Britain Radio Society Exhibition	Alexandra Palace
Aug. 7-8	General Trade and Home Exhibition	Doncaster

OVERSEAS TRADE FAIRS AND EXHIBITIONS

Current	International Trade Fair (cl. July 10)
Zambia	International Trade Fair (cl. July 6)
Malta	International Fair (cl. July 15)
Current	International Catering Trade Fair (cl. July 8)
Safety, Security and Fire Prevention Exhibition	Photogrammetry Exhibition and Congress
July 6-9	National Housewares Exhibition
July 11-23	National Boat Show
July 12-16	Int. Sports Equipment and Leisure Goods Exhb.
July 21-25	International Jewellery Trade Fair
July 24-28	Int. Biochemical Exhb. & Congress
July 28-31	International Arts and Antiques Fair
Aug. 3-10	Int. Building and Construction Exhibition
Aug. 5-14	Royal National Show
Aug. 6-11	International Boat Show
Aug. 8-16	Austrian Timber Fair
Aug. 9-15	International Fisheries Fair

BUSINESS AND MANAGEMENT CONFERENCES

July 6	Nottingham Univ.: Investment Decision Making
July 6-7	Financial Times and Investors Chronicle: The Outlook for Commodities
July 6-7	Gastech: Roll-on/Roll-off Marine Transport
July 7	Arabian Marketing: Selling to Magreb and Libya
July 8	ICHCA: Cargo Security-Pilferage to Crime
July 8	Interface: Man. Finance for Non-Acc. Execs.
July 8-9	Financial Times: Nuclear Power and the Public Interest—the Implication for Business
July 9	C.A.P.: Coral and Real Time Control Systems
July 12-16	Abraxas Syntex-Problem Solving and Managing Financial Times, Investors Chronicle: Finance and Scotland
July 13-15	Financial Times, Investors Chronicle: Finance and Scotland
July 14	LCCI: Australia—Industrial Opportunities
July 14	Economic Models: Europe, U.S. and Japan to 1981
July 15	Henley Centre: World Energy & the Oil Producers
July 19-20	BIM: Management Accounting for Non-Specialists
July 19-21	Guardian: Practical Statistics for Non-Specialists
July 19-23	O.P. Cons. Group: Advanced Teaching Methods
July 20-21	Orchard Centre, Saudi Arabia, Oman & U.A.E.
July 20-21	WTI: Plastics Industrial Materials Exhb.
July 21-24	Expo: Quality Trade Board: Developing Overseas Trade
July 23	Royal Town Planning Inst.: Housing Land Crisis
July 25-30	First Nat. Bk. of Boston: Export Promotion
July 27	Oyez: Exchange Control

APPOINTMENTS

Keyser Ullmann Board posts

Mr. J. C. Dentie and Mr. R. W. and Wales region. Mr. English become a member of the retail Seabrook have been appointed to retires on July 31. Mr. Cross division Board of management. Mr. D. R. Newman and Mr. P. H. Blackmore join the Board of Keyser Ullmann Securities.

* Mr. R. B. Lyons has been appointed a director of MIDLAND BANK GROUP UNIT TRUST MANAGERS in succession to Mr. H. Campbell.

AllIED POLYMER GROUP has appointed the following to become the first consultative directors: Mr. T. A. T. Chapman, Mr. D. R. Jenvey (who has also been appointed secretary of the consultative Board); Mr. R. E. McNamara, Mr. A. E. Princep, Mr. J. L. Robinson, Mr. R. B. Robson, Dr. P. G. Troughton and Mr. G. A. Turner.

Mr. Michael Comerford has been appointed director and general manager of EMI (MALAYSIA) SDN. BHD. He will be accountable to Mr. M. C. Brown, regional supervisor for South East Asia. Mr. Comerford, who joined EMI in 1965, was most recently national sales manager with EMI Records.

* Mr. Peter Moorees has been appointed a director of SINGER and FRIEDLANDER.

Mr. Norman Bennett has been appointed to the Board of LEOPOLD JOSEPH AND SONS. He recently retired from the Hong Kong and Shanghai Banking Corporation as senior manager, London and manager for Europe.

* Grand Metropolitan has appointed Mr. W. J. Baker, Mr. M. Bedford, Mr. W. F. Hart, Mr. J. N. Hobbs and Mr. R. H. Soames to the Board of WATNEY MANN AND TRUMAN HOLDINGS. Mr. J. M. Hoare, Mr. F. G. Mann and Mr. E. E. Williams have resigned from the Board.

Mr. John Freeman is to be the next chairman of the BRITISH FILM INSTITUTE. Mr. Freeman, who has also been appointed a governor of the BFI, will take over as president in October for a period of three years. Lord Lloyd, who has been chairman since 1973 has retired at the end of his appointment. Mr. Robert Campion, general secretary of the Cinematograph Exhibitors Association and chairman of the BFI's finance committee, has agreed to act as chairman until October.

* Mr. J. M. Whitaker is to retire as managing director of BRIMS AND CO. From August 1, Mr. N. L. Ireland, at present regional director of the Southampton area, will take over as managing director.

Mr. Patrick Lynch has been appointed chairman of TOWER STATIONERS and Mr. Alan Stanier has become director and general manager. Mr. Stanier has also been appointed a director of Oyez Stationery, of which Mr. Lynch is managing director. The parent concern is the Solicitors' Law Stationery Society.

* Mr. Ross Campbell has been appointed joint managing director of MILBANK TECHNICAL SERVICES, a subsidiary of the Crown Agents, and a member of the Crown Agents Executive Board. Mr. Campbell, was seconded to the Crown Agents in August, 1973 from the Property Services Agency of the Department of Environment and succeeded Mr. M. T. B. Bristow, managing director of MTS. Mr. E. A. Kirkby, who returns full-time to his duties as director of the Crown Agents Engineering Services.

* Mr. L. G. S. Groundwater has succeeded Mr. A. M. Taylor as director-general of the INSTITUTE OF PURCHASING AND SUPPLY. Mr. M. Taylor remains a director of the institute as director of external relations and continues as secretary-general of the International Federation of Purchasing and Materials Management.

* Mr. Simon Forster has been appointed a director of DBA COMPUTER SERVICES.

* Mr. D. J. Goodchild, manager sensitised goods manufacturing division, and Mr. E. J. Yates, camproller, have been appointed directors of KODAK.

* Mr. Michael Cross has been appointed to succeed Mr. Whiffen English as regional executive director of NATIONAL WEST-MINSTER BANKS West Midlands.

LABOUR NEWS

Jack Jones seeks move towards 35-hour week

BY ALAN PIKE, LABOUR STAFF

A 35-HOUR WEEK throughout industry must be the "focal point" of policies to ensure full employment, Mr. Jack Jones, general secretary of the Transport and General Workers Union, tells his members to-day.

Reduced working hours have traditionally been treated by many trade unionists as a long-term aspiration with a lower priority than immediate pay and conditions. But it is clear that Mr. Jones, who has been highly influential in shaping the thinking of the Government and TUC during the development of the social contract, and his union now see this as an important element of future talks on pay policy.

The European TUC recently adopted the policy of the 35-hour week after an initiative from the TGWU and Mr. Jones' union since

similar suffering a large unemployment problem.

"It would be folly not to think ahead about the damage that persistent technological and structural unemployment would do to industrial relations," he says.

This is why he wants to start this year, as part of a parcel of negotiations on the current pay policy, both about stimulating productive efficiency and also about planning to reduce working hours to give everyone a chance of a stable job."

To think that big wage advances in a year or two would create spending power which would soak up unemployment, would be to ignore hard lesson we have had to learn in the past two years."

While many areas face no particular problems, there are pockets of the country which are outstandingly vulnerable.

Up to last night, the supply situation had not been such as to bring standpipes into operation or to provoke restrictions on industrial water supplies.

In Northampton, while

the water authority

had been particularly bad in the drought and where

reservoirs are only at 43

per cent of full capacity.

The industrial consumer in the

area is the Central Electricity

Board taking about

gallons a day but power

industries may be expect

have high priority in a

emergency.

In the last four weeks

consumption in the area

fallen to 13.2 per cent

the level of the same period

year. But the water auth

are stepping up their cam

to cut both industrial

and domestic consumers to

even bigger savings.

On Britain's farms, the

wave is breaking records. F

and oats sown last autumn

prematurely ripened

combine harvesters are

brought into action a we

more earlier than ever before

National Farmer's Union si

men said.

The crop itself is variat

quality. The NFU said v

sown wheat, barley and ea

sown corn on hilly land was

good in parts.

One of the main worrie

the risk of fire. The

appealed to the public to r

the countryside as a tind

that can explode into

spread devastation at the

of a lighted match, bu

cigarette or a broken

bottle.

Mr. John Silkin, Ministr

Planning and Local Govern

tours East, Andal and N

ampronshire to-day to gain

hand knowledge of Brit

worst-hit drought area.

TODAY'S WEATHER—Back P

Council's dela

to be probed

THE OMBUDSMAN is to in

gate an allegation of malad

stration by Broxtowe Di

Council, Nottinghamshire, w

took eight months to decide

to buy a house offered

Stapleford man.

Councillor Peter Fallon

and Peter Shore, Environment

Secretary, is to be urged in Par

liament to set up an inquiry "as

a matter of urgency" into the

possibility of establishing a na

tional water grid for Britain.

Mr. Gwynn Roberts, Labour

MP for Cannock, said yesterday:

"Britain has enormous water re

sources. It is absurd that, because

of the fragmented way supplies

are organised, some parts of the

country should be parched while

others have plenty."

In the Lincoln division extra

boreholes have been sunk into

been treated unjustly.

Thereafter, the market

relatively steady with the odc

action on

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MONDAY, JULY 5, 1976

Lessons of Entebbe

THE RESCUE by Israeli commandos of the hostages held in Uganda was an act of major political and military significance. Politically the Israelis are entitled to claim not only that they have been consistent in their refusal to negotiate with terrorists, but also that their tactics have on the whole been successful. They may further argue, again with some justification, that they are the only people in the world ready to contemplate, let alone undertake, an act of such daring. One has only to compare, for example, the Israeli mission with the American rescue of the Mayaguez from the Cambodians last year to see how well the Israelis came out. In the Mayaguez incident the task did not seem unduly difficult, but the casualties were relatively high. Even then, however, the Americans were cocksure that they had brought it off. There must be an even greater self-confidence in Israel to-day that a much harder task has been performed with the casualties kept to a minimum. This new confidence alone must count as a new factor in Israeli attitudes to the outside world.

Admiration

There was also a triumph of diplomacy. It appears that the rescue was performed with the consent of the Government of Kenya. It is well known that relations between Kenya and Uganda are not good, but almost every other outside power would have refrained from seeking to involve the Kenyans, however indirectly, in an act of intervention. Militarily the rescue is a reminder that intervention by force of arms can work at a time when it had become fashionable to think that force is counterproductive. The lesson will not be lost on the Israelis who will no doubt be ready to do it again with even greater daring if the need arises. But it will presumably not be lost either on Western public opinion which will be tempted to quote the Israeli example if ever the attitude of reality.

Improvement in the State industries

THERE HAS been so much political controversy about proposed nationalisation measures that the affairs of the existing State sector have not received the political attention due to them. Last week's White Paper on inflation did, however, contain a few little-noticed remarks for the 1980s. One of these is the about them. I mentioned that separation of commercial from the subsidies provided to restrain prices have been more or less phased out, although some subsidies are still to be paid to British Railways and other undertakings for long term reasons of transport policy. The exceptional price increases associated with the ending of the subsidies are now over.

The attempt to use the nationalised industries to suppress inflation did not hold down the price level. All it did was to put a brake on price increases in 1972-74 at the expense of a sharp acceleration in 1975, which was in any case the year of the most rapid inflation.

Compensation

At least as harmful as the effect on the timing of inflation has been the effect on the political finances and morale of the industries themselves. Although it is all too easy to foresee a time when Ministers may again want holding down prices were at one time running at 5 per cent, they never really provided full compensation. They merely covered the current deficits incurred during the period of restraint. No compensation was paid for actual profits forfeited, which the industries had to make good by increased borrowing and a permanently higher level of debt servicing.

With the return to more normal pricing and the business upturn, the finances of the State sector have improved. Until inflation-adjusted accounts are published, it will be difficult to be very precise over their profit and loss position. But it is encouraging that the cost of gas, electricity and steel industries and the Post Office are expected to finance internally 50 per cent of their capital spending, a proportion not previously achieved since the mid-1960s.

The main need now is to restore the morale of those who manage these national concerns.

As the Royal Show opens John Cherrington reports on a mixed year for the farmers.

The farmers enjoy their good fortune

THE ROYAL SHOW opening at Stoneleigh to-day marks the end of an extraordinary 12 months in British farming. At this time last year hardly a sector was not complaining. Milk producers, after a difficult winter and a late spring, were angry because returns were not meeting costs. The prices of all livestock, from calves to adult cattle, were beneath the costs of production.

Yet admiration for Israeli determination and consistency, however natural, cannot be the sole reaction. The Israelis acquitted themselves brilliantly in a given situation, but the more fundamental question is how that situation arose. The hijacking was performed by a minority group of Palestinians. There is no reason to believe that the Palestinian extremists will be stamped out merely by stepping up anti-terrorist activities. On the contrary, new groups will continue to form so long as the Palestinian cause makes no progress and it should be remembered that they too can escalate.

Reality

The most striking development in the Middle East in the past few months, indeed has been the way the attempts to achieve a negotiated settlement of the area's problems have virtually dropped. In the short term, this may represent a victory for those Israelis who have argued that the Arabs would never remain united long enough to pose an insuperable threat. Such a view has been reinforced by the spectacle of the Syrians turning on the Palestinians in the Lebanon. Yet it remains at best of short term validity. The problem of the Middle East is ultimately the problem of the Palestinians who have no home. It will not go away simply because the Arabs have fallen out or because the Israelis are capable of feats of spectacular daring. It will begin to be solved only when the moderate Palestinian leaders are offered the hope of a negotiated settlement. The rescue at Entebbe will turn into a tragedy rather than a triumph if the result is further to encourage the Israelis to ignore that reality.

Reduced yield

Both sugar beet and potato crops were well down because of the drought. But while beet growers did not get great joy from their harvest, potato growers — and many beet growers farm them as well — found that their reduced yields were far more than adequately compensated by increased market prices. As against a guaranteed price of £28 per ton, the market soon reached £100 and at one time even £200. Many growers felt that at last they had reached a golden age.

Because the costs of both grain and potato growing have not yet caught up with inflation many farmers have perhaps an exaggerated impression of their prosperity. Sensibly most have used their higher returns to advantage by re-equipping their mechanical equipment with the help of the 100 per cent write-off concession against current profits. It must be said, however, that in many cases, particularly specialist grain growers, this re-equipment was an absolute necessity because the 1960s had mostly been a difficult time.

Pig farmers, after a disastrous period in 1975 when sow numbers dropped substantially, have enjoyed a comparative boom for about 12 months of high prices and lower feeding costs. But here it must be said that the prospects are not so bright. Numbers are up, prices are falling and already the Cambridge

market

and put into "vention" stores in Europe risen from 3 per cent a week to 9 per cent.

Consumption of dairy products is falling everywhere and is certain to lead to an increase in the intervention stock butter and skimmed powder. A marked fall in British butter consumption is being confidently forecast everyone in the trade.

A major prop to dairying economics is the sale of cull cows. For the last months these have been record levels but this has supported in the main very strong export demand the rest of the EEC. This is the case for prime beef on the Continent all round with large quantities being bought for export. It is extraordinary that the Continental beef market absorb British beef at the same time as large quantities of its own on the market.

Consolidation positions

The exports do save Government the odium of putting beef into intervention here, but they do underpin the market. The and Livestock Commission casts a fall of 100,000 to the consumption of beef year. While the exports of lamb and certain products are haled as stories, they are causing concern because their basis is level of sterling in relation to the currencies of other member states. If ever compensation amounts corrected so that prices really equated, the beef stay in this country, in later years—if the consumer will pay the price.

There is an obvious danger of a permanent or structural surplus of dairy products beef in the Community which British farmers v have a co-responsibility. Henry Plum, president of NFU, recognised this in recent speech when he addressed the dairy farmers v have to happen dairy farmers would not object to sharing the costs of any milk control scheme.

If the Green pound is devalued together with the ending of the British food subsidies there is a danger that the fall in consumption already noted in Britain as well as most European countries, particularly of foods based on live stock, could accelerate. There does appear to be a definite consumer resistance to high prices. For instance, since the intervention price for beef in Europe has been pledged no hostiles to for rose on March 15 by 8 per cent, or to the Common Agricultural Policy.

MEN AND MATTERS

New entrant to the word game

Longman, the educational publishing group, has chosen to-day, July 5, as the nearest it could get to Independence Day to announce that it is to become distributor in the U.K. of the long list of Webster's dictionaries published by the U.S. group G. & C. Merriam.



"Thank God that's over."

but identical, letters informing me of its opening. I don't know whether the Abbey's computer is programmed to take into account the middle-headedness of diary editors, but it also sent one to my wife just to be on the safe side.

Doom doom

To celebrate the country's official birthday, New York City yesterday played host to "Operation Sail," a grand review up the Hudson River of over 200 sailing ships and more than 50 U.S. navy vessels. The pride of place in the armada, which includes the U.S. aircraft carrier Forrestal, went to the 16 tall ships.

But however spectacular the sight of these ships coming up the Hudson under full sail, many in New York and its neighbouring counties have spent the last few weeks praying for rain over the weekend. Even the most cautious estimates suggested that operation sail and other Fourth of July goodies would attract somewhere between 5m. and 10m. tourists.

Wall Street normally seems crowded enough with its half-million working inhabitants and horror stories about the effects of this invasion have been common. Even if only 3m. turned up, theories went, downtown Manhattan would see the traffic jam of the century.

While the coast guard prepared an incredibly complicated book of rules for weekend sailors greeting fleet, the U.S. Federal Aviation Administration placed a total ban on all aircraft flyovers. Originally aircraft were to have been allowed under special permit, but when 400 applications from the Press turned up, pls requests from a few student pilots, that did it.

There has also been some considerable concern over how

This week's big event in International Finance

The Economist

Financial Report

An important announcement for bankers and financiers. This week, on July 7th, the first issue of The Economist's new, private fortnightly briefing on international finance will be published.

Its 8-12 pages will regularly contain material that is to specialist or too speculative to appear in The Economist itself. There will be highly sophisticated analyses of news and developments, presented clearly and factually.

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Flushed with enthusiasm?

Inside the United Nations forthcoming conference on water is being referred to the UNWC. Further comment from me is, I feel, unnecessary.

Observer

FINANCIAL TIMES SURVEY

Monday, July 5, 1976

Birmingham

The opening earlier this year of the National Exhibition Centre has served to highlight Birmingham's growing international importance. Although economic problems have led to short term difficulties, the city can reasonably expect increasing prosperity.

City adopts wider vision

by Joe Rennison

IK THE typical Brummie, if there is more to life than taking money and he might be—re—but only grudgingly. It is an extremely healthy attitude cause the people of the city are willing to work very hard for their money and realize at the money can only be spent in whatever way they think most appropriate after it has been earned—a point that national political masters only beginning to appreciate. That is not to say that the citizens are imbued with any greater social conscience than those of any other large city, simply that their willingness to graft hard for what they want coincides with what is needed for the nation. Outsiders may and do criticize Brummies the way they spend their money but at least, the money theirs and no one else's. At a moment, however, diversity away from the traditional crafts is not accepted in a way new to the all quarters. The traditional growth up from virtually nothing, there is strong resentment against what is seen as movement areas no longer applies: an increasing consciousness of their new-found industries is to bring more un-deliberate Government measures "We are all

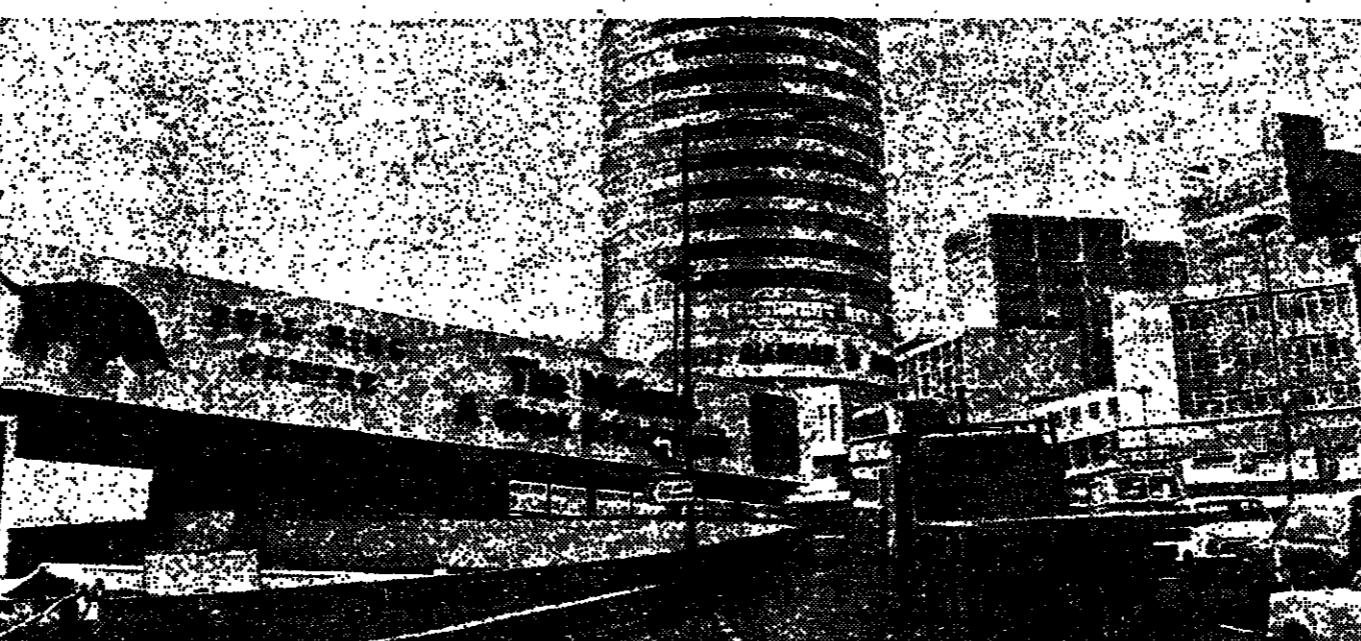
importance which could totally transform the pattern of future development.

If there is one thing that hard workers and money makers resent it is the climate we are now experiencing in the economic depression. It is totally alien to a city the majority of whose citizens cannot remember what unemployment means, and it is resented because they can see no way in which they can put the fault at their own doors. The number of jobless now stands at 6.6 per cent of the working population in the Birmingham area and is considerably higher for the city alone when those who normally commute from outside to within the city boundaries are excluded from the figure.

Birmingham simply does not know what has hit it. It is, after all, a city of widely diversified activities even though so many of these are concerned with "metal bashing". It was always thought that there was a cushion of easy job transferability should one employment sector suddenly feel the draught. The seriousness of the present economic depression has proved this assumption to be wrong.

Tireless

They are, however, an ingenious and tireless people and there is a firm willingness to see things good again. This could be frustrated on two counts. The simple answer, to a moment, however, diversity away from the traditional crafts is not accepted in a way new to the all quarters. The traditional growth up from virtually nothing, there is strong resentment against what is seen as movement areas no longer applies: an increasing consciousness of their new-found industries is to bring more un-deliberate Government measures "We are all



The Bull Ring in the centre of Birmingham.

productive labour and to disaimed at preventing the repeat now." More galling is the be an export-led boom. The city's still consider of past successes. Capital trans-possible loss of existing indus- tory when someone who wants to take this course claim that it able wealth tax and many to expand is only allowed to is the only way to salvation. other measures are seen as expand his business by 15,000 deliberate stifling of the native square feet or less.

On the second point the metal bashers point out that they are certain they could increase the city's wealth and reduce unemployment if only they were left to get on with it. In this place which has been the breeding ground of individual initiative, with the successful family firm policy of diverting any foot-loose or expanding firm to the and things are definitely look- ing up. Trade missions are already picking up business for few years. While being proud of their new importance "We are all

is also the feeling that Birmingham must change to adequately accommodate the international visitor.

Already the hotels, night clubs and associated service industries have experienced great benefit. But Birmingham must be able to do better than provide additional entertainment for the tired businessman. This will be the greatest test for those interested in the welfare of the city in the few years ahead. The present image is one of the almost undiluted philistinism. There are all the marks of the higher culture there in music, art galleries, education facilities and the like, but they seem to lie uneasily on what seems to the outsider a brash, beer-swilling society. The citizens will have to decide what makes them worthy hosts to the rest of the world.

It is difficult to know what they can do about the actual physical structure of the city.

This is one of Europe's man-made disaster areas. The centre

has been virtually rebuilt since

the War and it is difficult to

think of a more ugly "second

city" anywhere on earth. As one

leading citizen put it: "We have

been let down by the planners."

But perhaps it could be another

instance of the people thinking

too much about money and not

enough about aesthetics. As

long as there was sufficient

shopfloor or office space in

which to operate little attention

was paid to design.

One of the basic difficulties

that faced the city in restructuring

the NEC was to accom-

modate the motor car. This is

and we will pay for all these

things and more.

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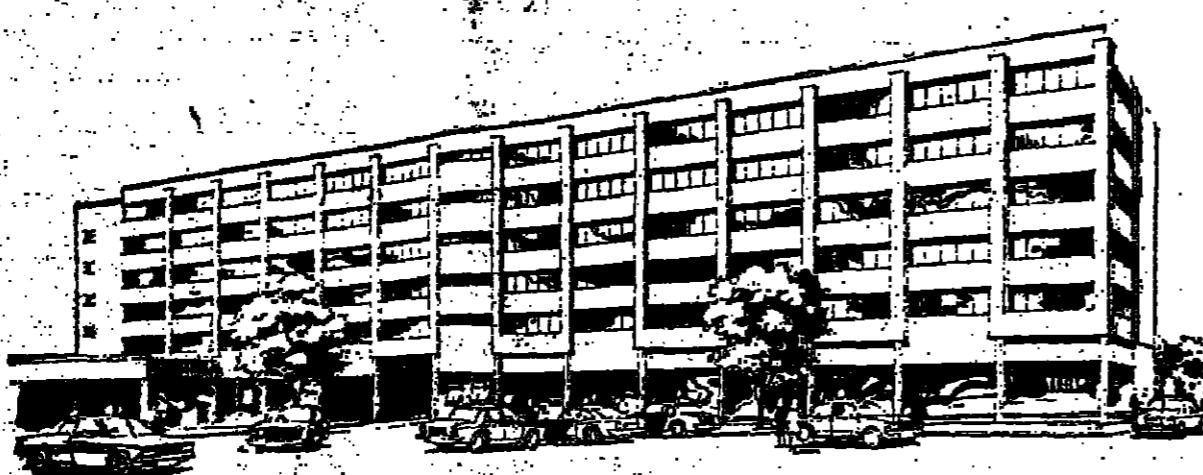
Air conditioning, carpets and light fittings of the finest quality are all included. International House The only office centre immediately adjacent to the NEC—providing areas from a single office up to 61,000 sq. ft.

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A furnished showfloor is available for viewing.

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BIRMINGHAM III

NEC proves to be a winner

BIRMINGHAM'S newest and best baby is alive and well, attracting vast numbers of visitors from all over the world. That is the cheery message coming out of the NEC's Exhibition Centre, opened by the Queen in February and acclaimed as the most modern commercial centre in the UK for many years.

While it is too early to start talking about prospects for the centre's long term success with any degree of accuracy, the list of exhibitions being signed up promises to grow and already encouraging sounds about early break-even dates are being made.

The centre—situated a few miles to the east of Birmingham and the City's expanding airfield and within minutes of the motorway network and a main rail link—opened its doors to the public on February 2 for its first exhibition and by the end of the day had apparently played host to fewer than 763,000 visitors. In the next couple of months, it represents the exhibition industry's off-season, the centre will be closed and its managers therefore have their first chance to take stock of what has happened in the first months of operation and to move forward.

There will certainly be a deal for them to contend with, and despite the overall lack of success so far, it has all been an easy ride. The arrangement itself, in the shape of the National Exhibition Centre Limited—the agency formed by Birmingham District Council and the city's Chamber of Industry and Commerce to run the complex—has not had a smoother time, with first general manager having even before the centre opened. He has just at long last been replaced.

The centre also had to cope with a fairly long list of teeth-troubles which cropped up before the world's newest exhibition complex was forced to move quickly about coping with influxes of people, arriving by train, plane and road to see what was on display.

Smoothly. But, according to the managing director, the important things have generally gone fairly smoothly. A spokesman commented: "While we are not in any sense complacent we are more confident than ever about the future. Many of our original administrative problems have been sorted out, the demand for exhibition space is still strong and the number of visitors we have received has exceeded our wildest expectations."

The centre is particularly encouraged by the large numbers of foreign visitors who have arrived at the site, curious to see Britain's new showcase. The centre's staff are evidently so impressed that they have made a point of catching our officials and consulting them on a job well done.

The ability to attract large numbers of foreign visitors and exhibitors will have a large part to play in the centre's overall success. The plan is to achieve a substantial increase in overseas participation in the next two years and the ultimate objective is to be able to stage completely foreign exhibitions in the NEC.

In the past, the U.K. exhibition industry has usually missed the chance to hold some of the big shows on the European circuit because of the lack of suitable facilities, but now the situation has changed and it remains to be seen whether a promotional push for European exhibition business will pay dividends.

The NEC has some interesting dates in its calendar of future events. One of the latest additions to the fold is Interbuild, the major building exhibition traditionally held in London but now switching to Birmingham in November next year. In the following year comes perhaps the biggest coup of all, a combined commercial vehicle and motor show which will be among the biggest exhibitions ever staged in Great Britain. After months of debate and indecision, the Society of Motor Manufacturers and Traders finally decided to take the plunge and move away from Earls Court and to launch the combined event at the NEC in 1978.

Its size should not, however, overshadow the NEC whose task it was to actually open for the first time with a show every bit as large as the event planned for 1978. The International Spring Fair was the largest trade show ever put on in the U.K. and proved a major test for the centre's facilities.

One problem area has undoubtedly been the catering services, which have provided some major headaches during the early months. These have now, apparently, been sorted out.

The NEC has already proved itself ready to accommodate a wide range of events away from the traditional run of trade shows. It has shown great interest in helping to accommodate events in the Commonwealth Games if Birmingham pursues its efforts to stage them, and last week the centre housed a special mini-motor show held by one company, British Leyland, which was timed to coincide with the launch of the new Rover model, made a short distance away at the new Solihull plant. Leyland workers were invited to bring friends and relatives to see their own work as part of Leyland's drive for stimulating worker involvement in the company's affairs—a policy which seems to have gone a little astray in the last few days.

Before the NEC opened, one of the major minus points put forward by those people who suggested that the centre's future looked uncertain—some are not yet convinced otherwise—was its actual location, 100 miles from London and the traditional exhibition centre for the U.K. Would exhibitors uproot themselves to travel north into new territory and would visitors make the effort?

Certainly, the evidence to date suggests that exhibitors have not been put off making the move, though their continuing presence is not of course guaranteed, and the gate figures would seem to suggest that wherever they come from, visitors can be attracted in large numbers.

The NEC believes, in fact, that visitors have not been coming up from London and rushing back to the capital in the evening—British Rail introduced a

£2 return fare to allow them to do this—but have been staying on in the Midlands to see what many people still consider to be a remote location.

As an NEC official put it: "We are not, and never have, pretended that Birmingham can be hard to resist."

The exhibition industry has support the range of facilities on offer in London but it can provide a different set of alternatives which people are apparently very anxious to see."

The NEC has undoubtedly had considerable success already in overcoming some of the understandable doubts which exhibitors have about the new centre. They have placed great emphasis on the NEC's own catchment area and repeatedly reminded people that the centre's location is virtually ideal from the communications point of view. There are 14,000 hotel rooms within a 20-mile radius of the NEC and the 100-mile gap between the site and London can be bridged in around 80 minutes by any of the numerous trains which use the new £6m British Rail terminal alongside the complex. Further development of Birmingham Airport, which now looks increasingly likely, will really help to internationalise the centre and bring it nearer to people from all over Europe and even further afield.

Michael Cassell



The site of the National Exhibition Centre.



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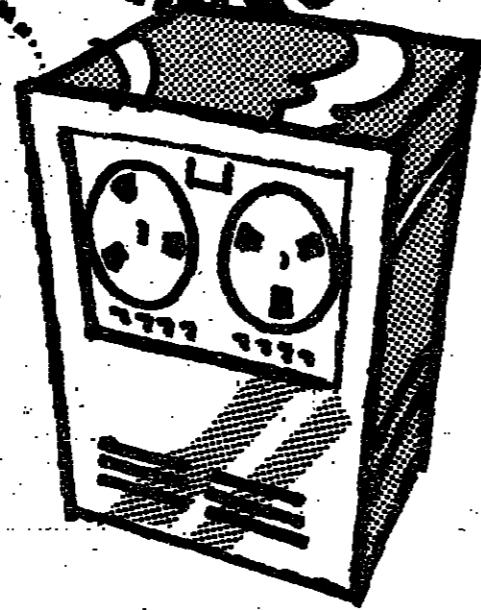
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BIRMINGHAM IV

An extensive financial community

"BIRMINGHAM IS making a major effort to be recognised as an international city," a banker there said recently, referring to increased overseas trade activity and the opening of the National Exhibition Centre at the heart of the Midlands region.

It is fortunate for Britain's "second city" that, at a time of record export-import business and with the economy starting to emerge from recession, it is equipped with such an extensive financial community.

The boom period for the build-up of Birmingham's banking fraternity was the expansive monetary era of the early 1970's. A considerable procession of merchant banks and overseas banks then opened up there, adding to the long-established representation of the big clearing banks, insurance and other institutions and the active Stock Exchange community.

In the event, the newcomer banks found themselves experiencing the chill of the deep recession which set in in late 1973 and which has endured most of the time since then. But now the economic atmosphere is beginning to warm up, and the great majority of the recent arrivals are still in Birmingham, in position to take advantage of the recovery as it develops.

Withdrawals

There have, however, been some withdrawals from the Midlands financial scene. Slater Walker Securities has pulled out of Birmingham, which it entered with a fanfare in late 1972 in its first expansion move in a British regional centre, and the former Old Broad Street Securities merchant banking arm of United Dominions Trust has lost its separate identity as a result of its parent group's retrenchment measures.

Birmingham can trace its banking history back for centuries and two of the Big Four clearers, Lloyds Bank and the Midland Bank had their origins there. The Bank of England, which has been represented in the city since 1826, has as its present agent Mr. David Nendick whose role is to keep in touch with industrial as well as financial trends in the busy Midlands region.

Among the large clearing banks with extensive branch networks, Lloyds and the Midland are particularly strongly entrenched because of their lengthy history in the region.

The large French banking group opened a regional office in Birmingham in 1969. Williams & Glyn's, strongest in the North West for historical reasons, has a regional office and a branch in Birmingham.

The Midlands area is a major one for Barclays Bank, whose large Birmingham-based local Board was formerly chaired by Mr. Anthony Tuke, now chairman of the Barclays Bank group. Barclays' offshoot, recently renamed Barclays Merchant Bank—and now one of the City of London's long-established Stock Exchange community and is the best-known merchant bankers in the Midlands and Western unit of the Exchange, B.M.B., strongly placed as the wholesale subsidiary of a major clearer, Wasdell, a partner in stockbrokers Smith Keen Barnett.

With the range of large and smaller companies throughout the region, attention is inevitably recurring to the possibility of some eventual get-together reducing the number of firms in the regional stock market community. Mr. Wasdell remarks: "There is more inducement to think about mergers now than in 1973 when there was an enormous upsurge in trade."

In Birmingham, where the trading floor in Margaret Street was reopened in completely refurbished form in April, there are three jobbing and 13 broking firms, the latter including three Cutler and Co., Harris Alliday and Brooks, and Smith Keen Barnett—which also have London offices. Some others

among the Birmingham firms also have offices in other towns.

Overheads of Birmingham stockbroking firms tend to be considerably lower than in London, so that the impact of substantial immigrant community, a number of banks from the Indian sub-continent, including Bank of India, Habib Bank, National Bank of Pakistan and — from Bangladesh — Sonali Bank, are represented in Birmingham and elsewhere in the Midlands.

Nonetheless, against the pre-

sent stock trading background, attention is inevitably recurring to the possibility of some eventual get-together reducing the number of firms in the regional stock market community. Mr. Wasdell remarks: "There is more inducement to think about mergers now than in 1973 when there was an enormous upsurge in trade."

A major Birmingham-based group is Forward Trust, the finance house owned by the Midland Bank and taking its name from the city's motto,

"Forward." Forward Trust, with the strength of its parent behind it has come through the past few years' upheaval in the

hire purchase industry to be more buoyant than the competitors.

Like others in the busi-

ness,

"There is a definite almost every facet of in commercial business — it is consistently noticeable in equipment and com-

vehicles since February, es-

specially have no doubt w-

passed out of the re-

phase in the e-

generally."

Birmingham is also th-

of a number of wider

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Brillante Assurance, wh-

considerable investments

lands industry, includ-

smaller companies, an

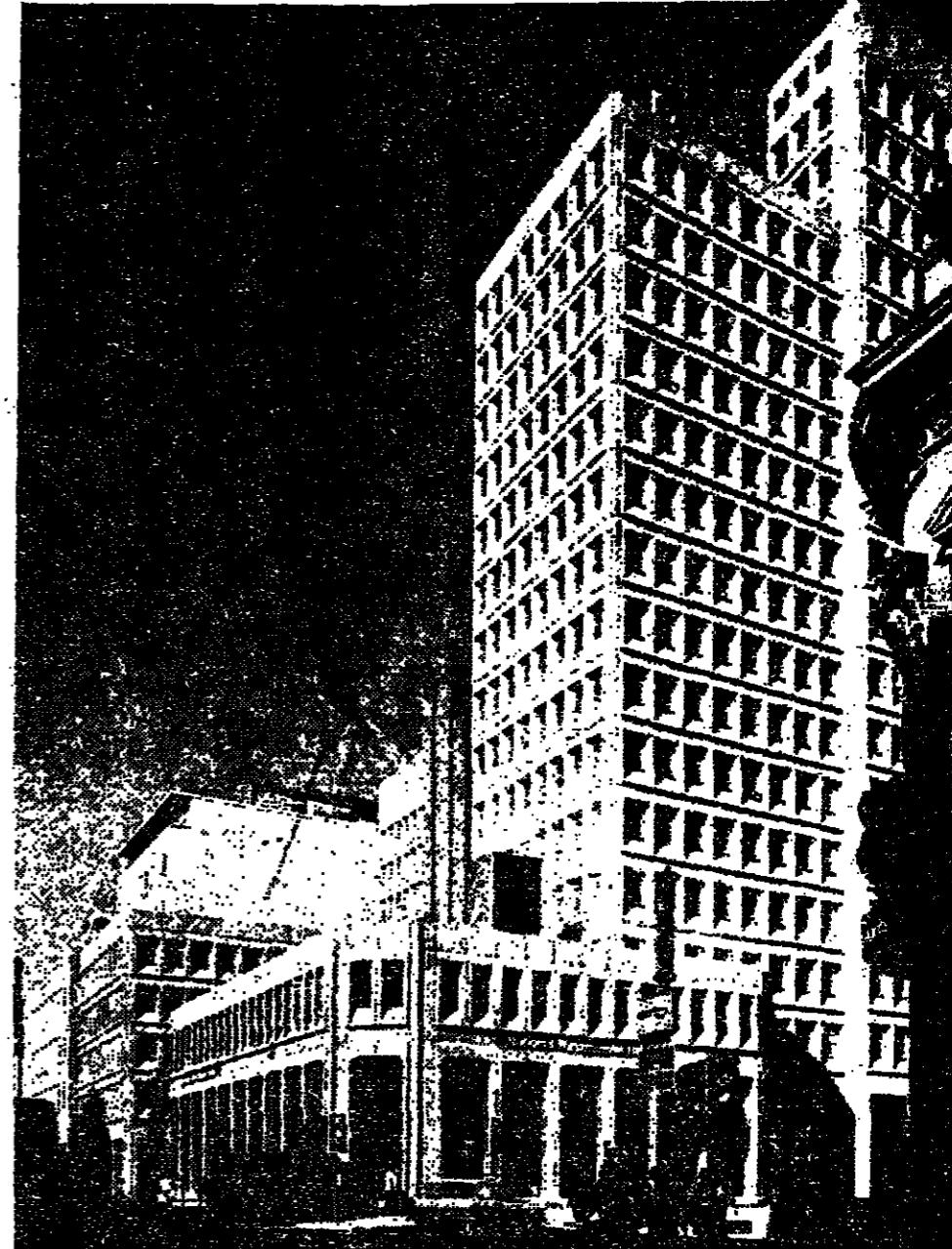
mutual Wesleyan and C

Assurance Society, /

based in the city is J

Star Insurance.

Margaret



The new premises for the National Westminster Bank at the Colmore Centre, which have been built by Bovis Construction.

Motors remain dominant

Lending

A financial and banking concern of a specifically local origin is G. R. Dawes Holdings, the former Neville Group, which was a highly active Midlands issuing house in the 1960's. Headed by Mr. Howard Dawes, it has been quoted once again on the stock market since last autumn after a considerable suspension following a reorganisation which involved the shedding of a good deal of its industrial interests and which coincided with a period of restrictive lending policy during the secondary banking upheaval.

The former Birmingham Municipal Bank, now renamed Birmingham Municipal Trustee Savings Bank, is a long-established institution in the region with many customers at its large network of branches in the Midlands. In addition to its general business, of the trustee savings bank type, it has traditionally provided mortgage loans to house buyers.

Standard Chartered Bank the British banking group with large interests in Africa and the East and an expanding European business, has for some four years had a Birmingham branch which makes a speciality of business connected with overseas trade.

The past few years have seen a considerable influx of foreign banks, including some large United States ones, into Birmingham, introducing sizeable new lending capacity. Bank of America has been established in the city for several years and now does some 75 per cent of its business for British companies, though it also counts British subsidiaries of American groups among its customers.

Mr. Ian Wilson, the British head of its Birmingham branch, points to the growing importance of the export and import business of customers and to the increasing sophistication of companies' present requirements as to the financing and pricing of foreign trade deals.

Bankers Trust International, another large U.S. group, has international notoriety for recently had its base in Birmingham designated a The night of the motor industry branch instead of a representative office, as hitherto. Other U.S. groups represented in particular the collapse of British Birmingham are Chemical Bank Leyland, which has much of its American Express Inter-production and marketing national Banking Corporation, functions in and around

THE JEKYLL and Hyde Birmingham, has brought about the dominant motor industry a change of heart, but the rarer, employing 20,000 at Longbridge plant to the West of the city and se thousands more at fact Government pumping £2,000m. into British Leyland, carburetors, transmissions other components. British land also has several R engine and other major ponent plants which supply assembly lines just over the boundary in Solihull.

Among leading compo manufacturers are GKN, ma propeller shafts and coul velocity joints for front w drive cars. Lucas, which recent months, Extreme milita several major plants, mal batteries, brakes, alternators and other electrical equipment. Wilmot Breeden, the chief supplier of door mechanisms, locks and bumpers, Dunlop, whose main tyre sion is at Fort Dunlop.

While the car makers b been losing out to European Japanese manufacturers to European plants associa with British Ford, Vauxhall, component suppliers have to be made between the making an increasingly vi assembly side and the com contribution to exports.

British Leyland, of course, is shipments by a third to makers last year increased th

CONTINUED ON NEXT PAGE

BIRMINGHAM V

Communications a key factor in the city's prosperity

MANY people, Birmingham pool which has grown up around the city's transportation from east to west. Services which have played such important role in establishing the city's prosperity. The one of Britain's first motor routes, aimed two decades ago at

London and Birmingham closer together, more

it has been the Gravelly interchange — Spaghetti junction—which hit the head for the complexity of the engineering operations involved in its construction, and complex layout of road junctions which resulted.

In another transport area, the city has made history being the site of the only new mainline railway to be opened this century, the new National Exhibition Centre a few miles to the middle of the city.

Riticism

It is probably the road network that plays the major part in Birmingham's transport system. A not infrequent criticism of the city itself is that its planning has pandered too much to the needs and uses of the motor car at the expense of those temporarily or permanently unmotored.

The first recorded road link, London and North Wales, King Street, built by the Romans, ran about 12 miles east of the present city centre, along Birmingham's motorway network, with the M1, M6, and M5 linking it direct connections with the North West, Scotland, Bristol and South Wales, placing it at the southern of the 304-mile continuous motorway route between London and the Scottish border. Further in the chain are being joined, with the M42 Birmingham to Nottingham motorway eventually joining the M5 in the West to the M1 near Birmingham, and the M40 from north to the M42 south of Birmingham providing an alternative motorway route between the city and London and the East.

For this all. For when traffic leaves the motorway network at or near Birmingham, it then able to transfer to a ring road system that must be the envy of many other cities in Britain and to reasonably good road links.

The west Kapoor tends to be other ends of those trunk roads and motorways. One notable deficiency is the absence of really good east-west route linking the city with the East of ports. But Birmingham is from the only place to suffer in this lack. The country, for reason or another, has seemed to place far more importance on north to south than south basically means London and the economic whi-

hours 22 minutes away by the fastest trains), Bournemouth (3 hours 40 minutes), Cardiff (1 hour 58 minutes), Liverpool (1 hour 39 minutes), Manchester (also 1 hour 28 minutes), Glasgow (4 hours 26 minutes), Inverness (8 hours 40 minutes), Newcastle (3 hours 40 minutes) and Edinburgh (4 hours 25 minutes), as well as London (1 hour 31 minutes) and, obviously, most points in between.

Again, the gap is in services eastwards, towards a part of the country ill-served by rail services. But for Birmingham the deficiency is not one of any great importance in its commercial life (and Freightliner services to the east coast ports are available). Rail services generally, of course, have an important part to play here; apart from passenger movements (and some 350,000 passengers use Birmingham's New Street station every week).

British Rail has some lucrative freight contracts in the area, especially with the major car and motor component factories. The Freightliner terminal at Lawley Street is one of Britain's best with regular services to London (Willesden), Southampton, Harwich, Felixstowe and Belfast via Holyhead.

Subsidy

A big boost to rail travel has come from the opening of the National Exhibition and its adjacent 60m. railway station, with a half-hourly service of trains from London (80 minutes away) at peak periods and a peak of six trains an hour on weekdays to New Street.

The scheme involves the construction of new stations at Five Ways and near Birmingham University, as well as improvements to Selly Oak and Bourneville stations. It was effectively given the final go-ahead in April when the City Council approved plans for the

extending of the rail network to the city with flights from Heathrow to other world destinations. And it is a measure of the growth of traffic at Elmdon that BMA is confidently expecting 50,000 passengers in the

first year of the new services flights were on chartered aircraft. Where Birmingham is less important is in freight movements. At present very little cargo is shipped from Elmdon, though this is a situation that could change.

Options

Still, bigger changes could come under the proposed regional airport strategy being drawn up by the Government. One of the options put forward in the recent consultation document on the possibilities for the regional airports is that Birmingham should expand significantly beyond its natural growth level, playing a major part in the diversion of air traffic from the London area and handling as many as 10m. passengers a year by 1990. This would involve a new terminal—not costing £15m., as envisaged to cope with the natural growth in demand, but £100m.—and runway extensions to allow long haul traffic to be accommodated, as well as more major road improvements. The number of jobs provided by the airport would rise from the present 1,700 to about 8,000 compared with the 4,000 thought likely in 1990 with just the natural growth in traffic.

Whether all this will actually happen, of course, is very much an open question. Long term planning for airports growth has not been a conspicuous success so far. But if the Government does go ahead with diverting traffic away from London and if the forecasts for natural growth prove right, Birmingham could very well benefit considerably, with its road and rail communications clinching the arguments for to the third strand in its communications links, its airport. Thus with a city on the hub of Britain's once all-important canal network have maintained its position at the hub of Britain's communications systems of all sorts.

David Walker

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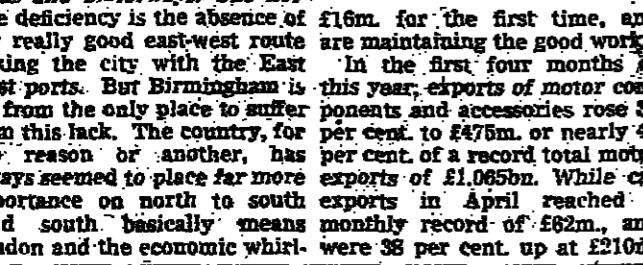
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Motors

CONTINUED FROM PREVIOUS PAGE



Over the four months, they are maintaining the good work.

In the first four months of this year, exports of motor components and accessories rose 35 per cent to £47.6m. or nearly 45 per cent of a record total motor exports of £1,065m. While car exports in April reached a monthly record of £62m., and were 38 per cent up at £210m.

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BIRMINGHAM VI

Some revival in property

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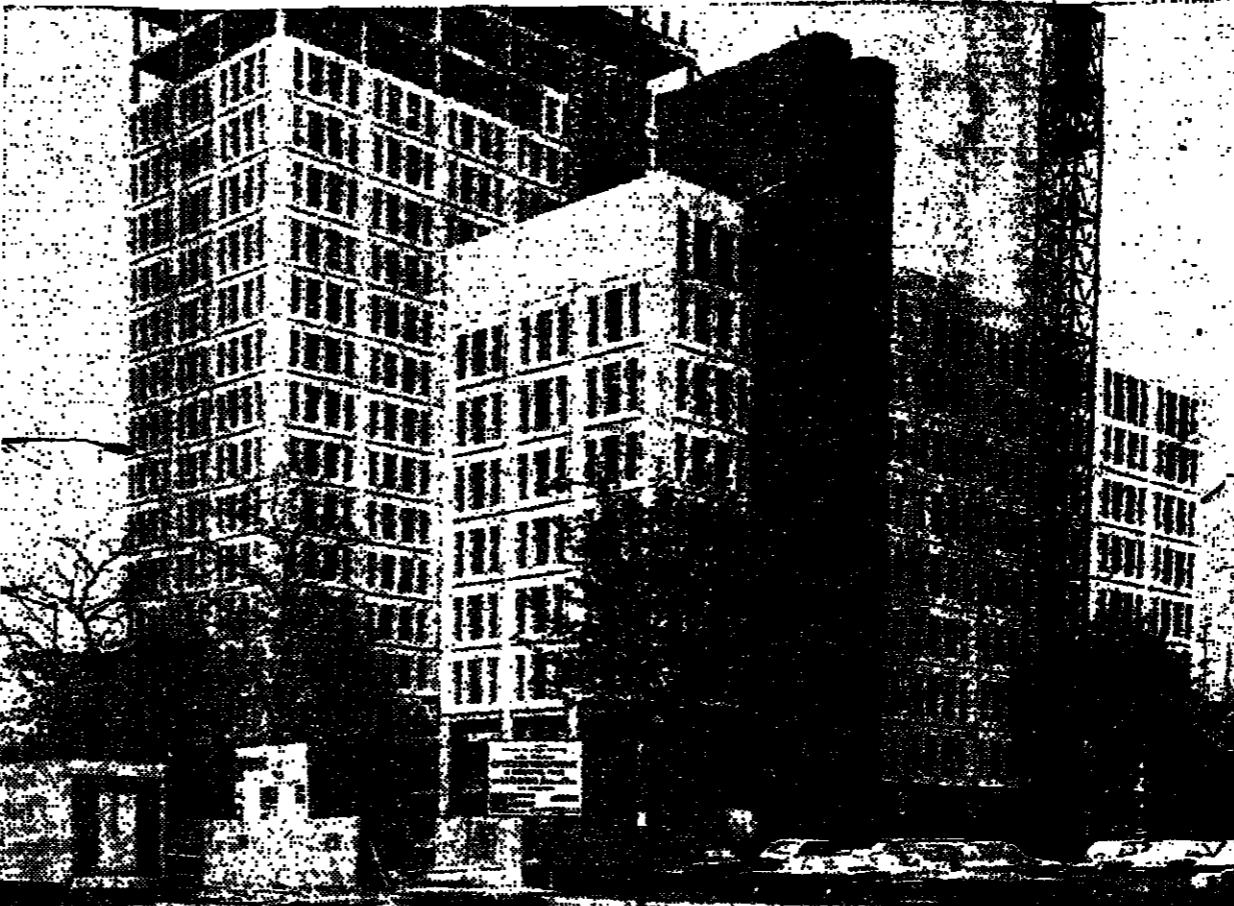
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TOO MUCH money is being lost in empty office blocks in the city, and too much more looks like being lost on those schemes still coming out of the ground at a rising cost which cannot be economically related to current rental values, for the first impression of the Birmingham property market is anything but gloomy. This is a substantially redeveloped commercial centre which, though it has several times before appeared to have a dangerous glut of offices on the market and each time swallowed up the space during the following boom, appears this time to be testing the limits of demand for several years ahead.

Dominant

This first impression must be the dominant one, for with something above 1.5m. square feet of offices available, Birmingham is among the leaders among the many over-officed regional centres. Put another way, if any vogue for relocation to Birmingham started—following the Lloyds Bank decision to decentralise and pre-let Laing's interesting Queens' College Chambers development of over 90,000 square feet—there are some very fine new offices of the sort of size which can attract major relocation exercises available at around £2 a square foot.

It is perhaps ironic that the biggest of all space-users, the Property Services Agency, should have chosen here to do some development for itself, building its own 200,000 square



A new 147,000 square feet office complex in Hagley Road, Edgbaston, developed by Commercial Union Properties.

feet of offices at Five Ways, Edgbaston.

But to concentrate on office supply and the current absence of demand may be to miss the cyclical clue to Birmingham's property market. Office demand did not, after all, drop here until quite far into the recession, the effect being accentuated by the timing of some of the largest schemes. What had followed the true economic cycle more closely, was the industrial property market, even allowing for the fact that demand for small units in the city had held up relatively well until last year.

What had been sticking on the market for at least two years, particularly in the vacant possession market, were the larger premises, even if they were quite modern. There are now signs that the position is changing.

Most agents report a quite sharp increase, even if it was from a very low base, in inquiries for factory and warehouse accommodation over the last three months. There is already a considerable take-up of units either side of 1,000 square feet and at up to 10,000 square feet there is quite lively demand with asking rents in the favoured industrial areas up to £1.25 a square foot.

There would at last appear to be signs that investment decisions, put off for good reasons over the last nine months, are being turned into active negotiations for premises.

In some cases it is only now that those companies wanting to buy additional space realise how much building and refurbishment costs have increased since they were last in the market.

But most such purchasers up to £1.50 a square foot for December's 3.9m. square feet will be demanding better standards than much of Birmingham's older property supports.

There remains the problem of the fairly ancient multi-storey industrial premises, many of them quite close to the centre of the city, which do not look suitable for many needs. Only

the more specialist warehousing operations can make much use of some of these. Prices of little more than £1 per square foot for purchasing freehold indicate the nature of the properties or the scarcity of demand for small ones, are not the type of industry coming first out of such premises.

That is a problem likely to remain a long time, but the position with modern rented premises may change quite swiftly. As in several industrial centres, Birmingham seems likely to see quite sharp increases in industrial rents if 3.2m. square feet this April. Instead of asking rents moving demand. The supply is already running low and rents running warehouse space availability, made some sense in inflation

terms, this is so much a market that they have practice come back to £2 square foot or less, w manner of inducements form of rent-free portuguese removal expenses being c

Apart from the draw National Exhibition (though even that has prevented plenty of sp Sheldon standing empty rents well under £2 a foot), the success of some Five Ways scheme, or continuing popularity of lush suburbs like S Birmingham can be seen example of how developed judged the natural priorities in the days of ing demand. There are two schemes in peripheral which look unlikely to tenants while good space the centre is available a which are a fraction of ex depressed London levels.

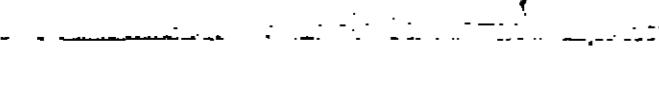
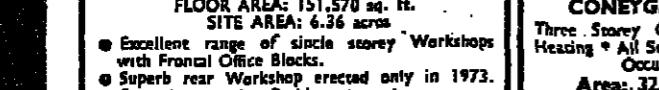
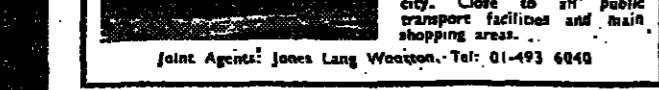
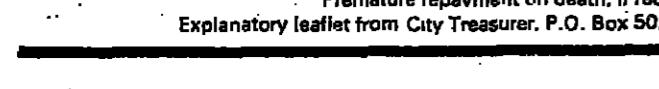
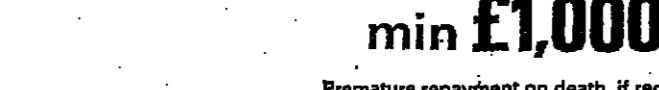
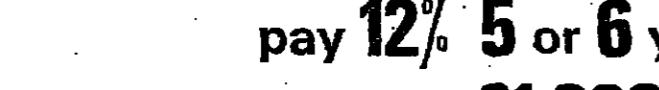
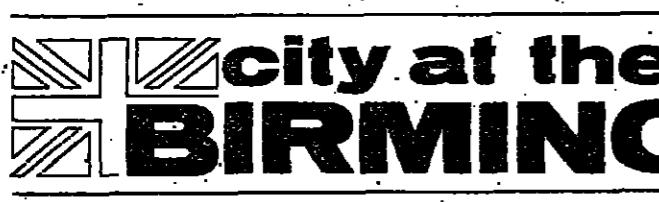
Resilience

Should the residual demand which Birmingham shows for office space past reassess itself, then the centre schemes might well up over the next year leaving some lasting elephants further out. B size of some of the centres suggest that the drear single tenant lettings will likely to be fulfilled. Take indigenous demand floor, or a few floors at a to whittle away most surplus.

The bonus could be two major relocations to whole blocks, and certainly there is now a greater of movements from L than there was a year ago few concerns were preparing undertake the inevitable relocation. That Birmingham assisted areas to the north it comes to relocation, an new towns nearer London, likely to prevent it pick some of the expected devaluation business of the c years.

As a commercial centre attractions of its labour market are well known. Perhaps a wider choice of cheap space than any other E centre is now an added incentive.

Quentin Gurd



The Italian Parliament assembles to-day after the Communist advance in the elections of June 20-21. Anthony Robinson reports.

Big Two fight for the middle ground

SURPRISE recovery of Christian Democrat Party from the five regions which did not vote in 1975, but the fact remains that over four years the PCT has picked up 3.6m. votes and that now only 1.5m. votes and 4.3 percentage points separate it from its main rival, the Christian Democrat Party.

It is a Communist Party which gained a quarter more votes than it did in the general elections four years

ago. Where did these extra votes come from? In the first place it appears that the PCI picked up roughly 2m. votes from the 5m. voters he is very much part of a system pattern, but will only determine immediate politics of the parties. They have only just begun to assess the situation created by the elections on June 21-22 in preparation for the meeting of Parliament to-day.

Leap forward

Any reckoning of the Communists' performance has been remarkable. Between the 1953 elections and those of 1972 the increased its vote by just under half, from just over 6.1m. just under 9.1m. Its percentage share of the steadily growing electorate, which itself rose from 27.1 to 33.4m. over this 20-year period, showed a much more modest growth from 22.6 cent. to 27 per cent. But at recent general election the party made a bigger leap forward than it had made in the previous 20 years together. It won 3.6m. votes and pushed its share of the poll from 27.1 cent. in 1972 to 34.4 per cent. by a full 7.3 percentage points. What is more, the party only managed to hold on to votes it picked up at the national and local elections last year but actually added another 1.3m. to the 11.3m. it picked up on that occasion. Admittedly a significant

part of the increased total came from the five regions which did not vote in 1975, but the fact remains that over four years the PCT has picked up 3.6m. votes and that now only 1.5m. votes and 4.3 percentage points separate it from its main rival, the Christian Democrat Party.

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the situation created by the elections on June 21-22 in preparation for the meeting of Parliament to-day.

This pattern was changed on June 20 when the *mezzogiorno* as a whole gave the PCI 31.4 per cent. of its votes compared with only 26.6 per cent. in the Abruzzi, but only just over 6 in regional elections last year.

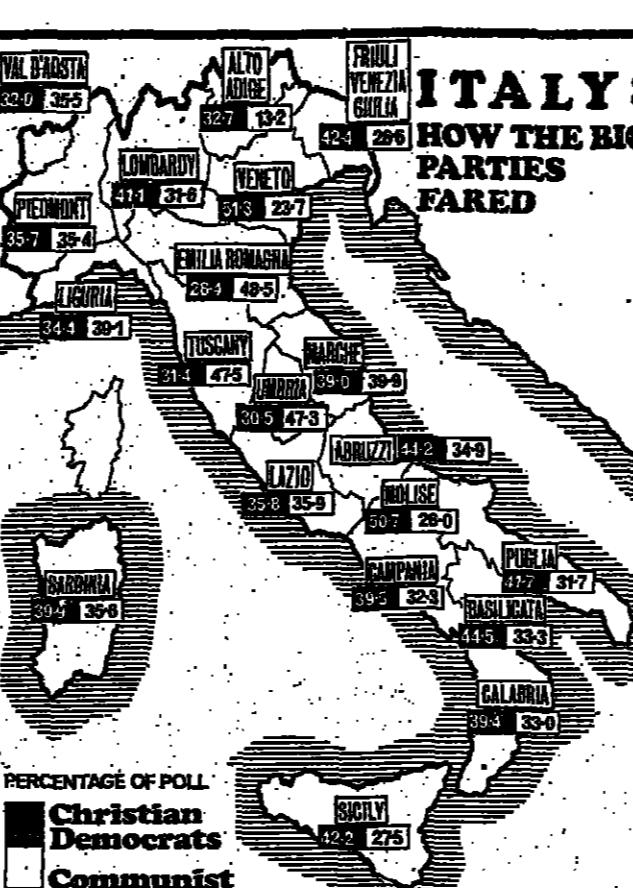
The Communist gains in the *mezzogiorno* are significant for Party gained 6.10 per cent. in the exception of Campania and the Naples area. This pattern was changed on June 20 when the *mezzogiorno* as a whole gave the PCI 31.4 per cent. of its votes compared with only 26.6 per cent. in the Abruzzi, but only just over 6 in regional elections last year.

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Regional

Compared with the 1972 vote as a whole the PCI gained an additional 20.3 percentage points in Sicily, 9.6 in Campania, 8 in

Apulia, 6.1 in Sicily and



giorno, the Christian Democrats only lost ground (on average 4 per cent.) in Liguria, Abruzzi, Molise, and Sardinia. The pattern seems to have been for the Communist Party to pick up votes from the Christian Democrats and neo-fascist MSI (especially in Campania), while the Christian Democrats were able to compensate for this erosion by picking up votes in their turn mainly from the Social Democrats and to a lesser extent the MSI.

Interestingly enough both the Christian Democrat and Communist parties gained ground in Sicily where for the last two years the regional government has been run largely on a basis of an agreement between the Christian Democrat and Communist parties. The latter was remained formally in opposition but has been associated with the legislative programme. It is one of those examples of government "open" to the PCI's contribution which can be expected to develop further, not only locally but also nationally.

The PCI also gained spectacularly in Naples where the votes from the minor lay parties enlarged in these elections both nine-month-old Left-wing city such as the Social Democrats by the decline of the neo-Fascist council under the popular and Liberals—while the Com-Right and the confirmation that Communist Mayor, Sig. Maurizio Valenzi, has done much to overcome the traditional attitudes of Neapolitans—who it should be remembered gave an 80 per cent. vote in favour of maintaining the monarchy in a referendum in 1946. On June 20 41 per cent. of the city voted Communist—a vote which reflects a substantial switch of neo-fascist, Monarchist and Christian Democrat votes to the PCI compared with the 1972 elections when the PCI gained only 27 per cent. of the vote. It is an amazing thought that almost as many people voted Communist in Naples as did in Bologna—a city which has been ruled by the Communists since the war. In Rome, too, the PCI has become the largest single party.

This makes it extremely difficult to evaluate the election polarised at these elections in conventional political terms, through the diminution of the Communist—a vote which reflects a substantial switch of neo-fascist, Monarchist and Christian Democrat votes to the PCI compared with the 1972 elections when the PCI gained only 27 per cent. of the vote. It is an amazing thought that almost as many people voted Communist in Naples as did in Bologna—a city which has been ruled by the Communists since the war. In Rome, too, the PCI has become the largest single party.

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Dialogue

To judge by the early post-election statements of leaders themselves point out that of both the major parties' the weight of the 1.7m. Communist Party members by nearly eight to one. Voters are not bound by the same discipline as party members. Therefore the more Parliamentary committees which votes it obtains, the more the draft legislation and in which PCI is obliged to continue the Communist Party will insist on revisionist economic, strategic, social, and political ideas which have made it not Government and opposition will only such a formidable vote be maintained. But these are gathering organisation but also early days and much will be a point of reference for the depend both on the evolution future of socialism in Europe, of the economic crisis, and indeed in the wider debate international climate after the co-existence between capital West German and U.S. Presidentism and communism in the world.

In effect both the Communists and the Christian Democrats were competing for the middle ground of Italian politics, a

moved steadily rightward over the years towards a more social democratic stance.

Furthermore, as the Communists themselves point out, the pattern which is likely to emerge during this legislature is that of a substantial dialogue, particularly in the all-important areas of the economy which have made it not Government and opposition will only such a formidable vote be maintained. But these are gathering organisation but also early days and much will be a point of reference for the depend both on the evolution future of socialism in Europe, of the economic crisis, and indeed in the wider debate international climate after the co-existence between capital West German and U.S. Presidentism and communism in the world.

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Letters to the Editor

Judges'

way

Lord Wilberforce.

Your readers will be grateful for the well-formed article by Mr. A. H. Rennan on "The judges way building Europe" (June 30). There cannot be too much discussion about so central an institution as the European Court. May I add two comments? Mr. Rennan is quite right in reporting the demand for more time to be given for Whitehall departments and business interests to comment upon pending references to the Court. The King's Bench conference in fact sought out some practical suggestions in this direction. I would personally hope that this does not go so far as to use the Court to operate bureaucratically—a vice which is notoriously endemic in European institutions. After all it is creating actual strife between states and could destroy its purpose by delay.

The right way I suggest for the court to keep in touch with business opinion is through the experience and self-education of judges—there as here, as to interpretation Mr. Rennan could obviously not sort the whole of the conference but participants at it did as a most intelligent and sophisticated account by a top European lawyer—Mr. Ebermann—of methods used by the Court. The Court in fact follows no pre-determined canon ecological or literal but applies mixture of these and other rules in a search for a European solution. Sometimes this proves a result surprising to lawyers but lawyers will soon learn to live with it.

Lord's Association European Law, use of Lord's S.W.1.

Local authority spending

Mr. R. Mills

I am quite prepared to admit a fallacy if Mr. Palmer (June 29) can back up his charge that facts rather than a subjective opinion that local government "does not address its mind sufficiently as to whether any particular statutory power is mandatory or statutory." The facts are that local authorities, as a whole, have applied themselves much more effectively to reducing both their total borrowing and their share of the public sector borrowing requirement than central Government or the nationalised industries. It is true that one contributory reason for the central Government borrowing is represented by scathing in their criticism of

Exchequer subsidies to local authorities but such subsidies are the result of central Government decisions.

I repeat my statement that it is not local authority spending as a whole, which is "out of control," it is central Government expenditure which is out of control and no amount of "buck passing" can disguise this fact.

R. H. Y. Mills
Church Farm,
Little Buntington,
Buxford, Oxon.

Understanding the law

From Mr. M. Daniel.
Sir—I feel that honesty is now at a premium, and the ordinary man in the street cannot really understand the law. The law is difficult to understand even for a lawyer. It seems to me that the trouble probably lies with the Parliamentary draftsmen, or with Parliament itself. I shall be glad of an answer to what appears to be a very real problem facing this country in its difficult days ahead, despite its in-built safeguards. Although the difficulty of interpreting a statute may be intentional (and I often think it is), it seems to me to be a very bad policy.

Martin O. Daniel
Thomas Chambers,
44-46, Queen Street,
Runcorn, Cheshire.

After the tank

From Mr. G. W. Morris.

Sir—in his very clear analysis of the NATO tank problem (June 22) Nicholas Colchester posed the basic question: Is the tank like the battleship of old becoming outmoded on the modern battlefield; particularly in the face of the wide spectrum of missiles now available?

In case of the wide spectrum of missiles now available,

With ways of reducing the number of Civil Servants, the stimulation of investment in industry, an early return to free bargaining over wages and ways of freeing, for productive tasks, the large amount of manpower in industry which is not so employed prompt me to make the following suggestions.

Many companies and their

advisers devote much ingenuity and effort to ways of minimising tax liability and no doubt the

Revenue devotes a similar amount to ensuring that companies pay the full amount of tax to which they are liable. This is only one wasteful conse-

quence of the complexity of company taxation. Another is that it confuses considerably the economics of investment in industry by making it difficult to assess whether a particular investment is worthwhile: a new machine may appear a good investment in one company but a bad investment in an identical company with a different treatment of its accounts. And yet companies as such derive no benefit at all from the services provided out of taxation; the only beneficiaries are the workers, whether they be owners, directors or employees.

There is, therefore, surely a good case for abolishing com-

pany taxation altogether—it yields only about 15 per cent. of all direct taxation—and in-

creasing income tax to make good the deficiency. The equiva-

lent of corporation tax would, of course, have to be paid out by companies as increased

salaries and wages to make good the increases in personal taxation but there would be con-

siderable savings in personnel

in industry, commerce, and the

services in general.

Brian Oliver
47, Borough Street, Brighton.

Abolish company taxation

From Mr. A. De Barr.

Sir—Current preoccupation

with ways of reducing the

number of Civil Servants, the

stimulation of investment in

industry, an early return to free

bargaining over wages and ways

of freeing, for productive tasks,

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Revenue devotes a similar amount

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full amount of tax to which they are liable.

The main cause of the past fall in the value of the pound lies at home.

Brian Oliver
47, Borough Street, Brighton.

The value of the pound

From Mr. B. Oliver.

Sir—There has been reference to the falling value of the pound in a higher rate of inflation in this country because imports will be more costly. This has led to inflation targets being postponed somewhat. But is this really true?

Prices in the U.K. have cer-

tainly been rising much faster

than those in other industrial

countries so the logical counter-

part must surely be that imports

of goods from low inflation coun-

tries would actually slow our

inflation rate down ... unless

sterling were devalued. The

cause of inflation must surely be

largely internal and the fall of

the value of sterling on the

foreign exchanges is mainly a

reflection of our higher rate of

inflation compared with rates abroad, not vice versa.

We now have a limit on wages

which should go a long way

towards bringing our inflation

rate down to that prevailing in

other countries when the new

wage policy comes into force.

It therefore seems wrong to

imply that the falling value of

the pound will endanger the

wages policy. The delayed effect

working through the economy of

dearer imported goods in sterling

terms should be offset by the

relatively stable prices of Ger-

man, U.S. and other imports.

Admittedly capital movements

and speculative positions can

upset the balance to a certain

extent but these are only limited

factors.

The main cause of the past fall in the value of the pound lies at home.

COMPANY NEWS + COMMENT

Ferguson Industrial poised for upturn

SALES of Ferguson Industrial Holdings are increasing in volume and the chairman, Mr. D. S. Vernon, is cautiously optimistic that the worst of the recession is behind them.

Steps are being taken to strengthen the management of the group's subsidiaries so that "we shall not be slow to take advantage of better trading conditions."

Although the debt ratio of 47 per cent at the 1975-76 year end is comfortable, the chairman says the time is approaching when the group will have to broaden its equity base by the issue of more shares for cash or by acquisition.

Until the equity base is broadened, any further capital expenditure will have to be suspended, says Mr. Vernon.

As reported on May 22, pre-tax profits for the year ended Feb. 29, 1976, were £879,631 against £798,059. The dividend is 1.94342p (4.548p).

With the benefits of higher reference levels which the purchase of Wright Scriven brought, the group could make pre-tax profits of £1.07m. in the current year without exceeding group reference levels, says the chairman.

On a CPP basis, pre-tax profits are shown at £476,000 (£756,000) and net assets per share 107p (96p) against 72p historical.

The return on capital employed dropped from 21 per cent to 13 per cent for which the Ferguson Humber side performance was largely responsible as well as the extremely poor showing of Wright Scriven.

The group's largest investment is in Liner Concrete Machinery Company. The holding has been increased to over 39 per cent, through share purchases and a rights issue entitlement. Gross dividends of £50,650 are expected from this source in the current year.

As known, a share exchange bid has been made for the remainder of the equity of Allan Kennedy and Co.

Industrial and Commercial Finance Corporation holds 18.5 per cent of the Ferguson capital.

Meeting, Newcastle-upon-Tyne, July 30, at 12.30 a.m.

Comment

The bank overdraft at Ferguson Industrial Holdings has risen from £18,645 to £1.65m. and loans by just under £1m. to £1.82m., so that borrowings are now 114 per cent of shareholders funds. That is still manageable even though it could inhibit further capital investment and there must be some possibility of a rights issue soon. Meanwhile, there is the bid for Allan Kennedy which will mean the issue of 427,500 shares on full acceptance — but improve last year's earnings per share from 7.8p to 8.2p. On the trading side, there was further recovery in the final quarter with profits up 54 per cent and the chairman's forecast for this year looks comfort-

BOARD MEETINGS

The following companies have notified the Stock Exchange of Board meetings to be held for the purpose of consideration of dividends. Official indications are not available whether dividends concerned are interim or final and the sub-divisions shown below are based mainly on last year's time-table.

TODAY

Interims—Aldermans Discount, Bath and Portland, Herbert Morris.

Finals—Bamberside, Carole Engineering, Mercury Securities, Sunlife Speck-

ing, Young Austin and Yemm.

July 7
Howard Machinery
Macpherson (Donald)
Midland Bank
Concrete
Distillers
Jackson and Steele
Kimpel
Pilkington
Young Austin and Yemm

July 15

July 16
Kempster
Young Austin and Yemm

July 17

July 18
Riley Diamond

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July 20
Credit Lyonnais

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INTERNATIONAL COMPANY NEWS + EURO MARKETS

EUROBONDS

Lively week in the D-mark sector

BY MARY CAMPBELL

THE DOLLAR sectors were relatively quiet last week, but with Canadian dollars holding up much better than many would have expected, in view of the strength of the currency.

Ford Motor Credit's issue, which was increased from \$C35m. to \$C40m. and priced at 91/2 per cent., was extremely lively compared with the indicated 91/2 per cent. coupon on mid-week, was trading at only a slight discount on Friday. Noranda Mines' \$C25m. issue was closed at par on the indicated 91/2 per cent. coupon. New in the market over the week-end is \$C20m. for Simpson-Sears Acceptance Corp (under parent company guarantee). Maturity is seven years, indicated coupon 91/2 per cent. and lead manager Wood-Guy.

Two new U.S. dollar issues were announced: \$25m. for Santa Fe International, indicated at 91/2 per cent. on a ten-year maturity and a \$25m. floating rate issue with a quarter point spread and 71/2 per cent. minimum for the Vienna-based Genossenschaftliche Zentralbank.

Priced last week were the In-

dustrial Bank of Japan's \$20m. 81/2 per cent. five year issue at 991/2. National Westminster's \$50m. ten year 9 per cent. issue at par, and NYK Line's \$30m. 81/2 per cent. five year issue at 991/2.

The D-Mark sector was extremely lively compared with the indicated 91/2 per cent. coupon on the indicated 91/2 per cent. issue. It is understood that the 17 banks involved will underwrite \$30m. each and that the remaining \$150m. will be covered by eight Spanish banks said on Friday. The loan is expected to go into syndication this week.

The final terms are effectively agreed among the 17 to accept fine terms may be judged from the fact that three other Spanish borrowers—indicated some which are partly owned by the state—are currently in line to cut to \$750m. a maturity of five years and a margin over 1 per cent.

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Spanish \$1bn. loan holds its ground

FINANCIAL TIMES REPORTER

THE RESIGNATION of Spain's inter-bank rates of 11 per cent. Prime Minister Carlos Arias Navarro last Thursday is unlikely to have any effect on the market for Spain's \$1bn. Euro-borrowing international banks said on Friday. The loan is expected to go into syndication this week.

The final terms are effectively agreed among the 17 to accept fine terms may be judged from the fact that three other Spanish borrowers—indicated some which are partly owned by the state—are currently in line to cut to \$750m. a maturity of five years and a margin over 1 per cent.

The extent to which the prestige of being involved in this first ever loan to the Kingdom of Spain has made banks prepared

to accept fine terms may be judged from the fact that three other Spanish borrowers—indicated some which are partly owned by the state—are currently in line to cut to \$750m. a maturity of five years and a margin over 1 per cent.

Tractor setback hits earnings at Adams

BY JAMES FORTH

A SHARP DECLINE in profits of its tractor subsidiary pulled earnings of William Adams and Co., the steel and aluminium merchant and tractor distributor, down by 23 per cent. for the year to April 30. This is a touch of irony as the tractor division and its Caterpillar franchise was one of the main attractions behind the recent unsuccessful \$A25m. takeover bid by Comeng Holdings. Comeng withdrew after only six days when Caterpillar warned that it would withdraw its franchise if the bid succeeded.

The tractor result is equal to the recent unsuccessful \$A25m. takeover bid by Comeng Holdings. Comeng withdrew after level of recent years.

SYDNEY, July 4.

Caterpillar's

losses

in

July

AUTHORISED UNIT TRUSTS

REGIONAL MARKETS

A selection of the share prices previously shown under regional headings, entered below with quotations on London. Irish issues, most of which are usually listed in London, are shown separately and with prices as on the 1st change.

hops Inv. 20p	16	Higsons Brew.	25	Conv. 3% 2000	227
S.S. Mining	24	L.O.M. Sm. El.	125	Alliance Gas	52
PEM	24	Rolt Jcs. 125p	125	Arnold	225
PEM El. 20p	125	Kleen-e-Ze	21	Carroll (P.J.)	105
PEM Crdt.	30	Lowell's Ship El.	165	Cloudland	45
Eng & Bldg. El.	320	N.Y. Goldsmith	25	Concrete Prods.	25
van R.A.	27	P.M.A.	25	Helton Chdgs.	23
Dr & McWhin	49	Pearce-C. H.	25	Ind. News	23
bus Frk. 10p.	23	Pearl Mills	14	Ind. Corp.	225
Weld.	11	Ralph Caldoni	45	Irish Distillers	25
de Force	48	Silver 125	15	Irish Ropes	25
May Pkg. Sp.	161	Sheffield Brit.	35	Jacob	25
Wld & Reed 10p	1525	Steel Refract.	125	Sunbeam	11
Wing Ship El.	515	Shiloh Spann.	25	T.M.C.	225
Wld & Reed 10p	3	Sindall Wm.	25	Unilever	70

BASE LENDING RATES

Allied Irish Banks Ltd.	10%	C. Hoare & Co.	10%
American Express Bank	10%	Juhana S. Hodge	11%
Anglo-Portuguese Bank	11%	Hongkong & Shanghai	10%
Henry Assnacher	11%	Industrial Bank of Scot.	10%
Banco de Bilbao	10%	Keyser Ullmann	11%
Banco de Jerez	12%	Knowsley & Co. Ltd.	12%
Bank of Cyprus	11%	Lloyds Bank	10%
Bank of N.S.W.	10%	London & European	11%
Banque du Rhone S.A.	11%	London Mercantile	11%
Barclays Bank	10%	Midland Bank	10%
Barnett, Christie Ltd.	12%	Samuel Montagu	10%
Bremar Holdings Ltd.	11%	Morgan Grenfell	10%
Brit. Bank of Mid. East	10%	National Westminster	10%
Brown Shapley	11%	Northern Comm. Trust	11%
Canada Permanent AfI	10%	Norwich General Trust	11%
Carter, Bowater Co. Ltd.	11%	Portman Guaranty	9%
Cedar Holdings	11%	P. S. Refson & Co.	10%
Charterhouse Jephcott	11%	Rossminster Accept'cs	10%
C. E. Coates	11%	Schlesinger Limited	11%
Consolidated Credits	11%	E. S. Schwab	12%
Co-operative Bank	10%	Security Trust Co. Ltd.	12%
Corinthian Securities	10%	Shenley Trust	12%
Credit Lyonnais	10%	Standard Chartered	10%
G. R. Davies	11%	Trade Development Bk.	10%
Dunoff Brothers	11%	Twentieth Century Bk	12%
Duncan Lawrie	10%	United Bank of Kuwait	10%
English Transcont.	11%	Whiteaway Laidlaw	11%
First London Secs.	10%	Williams & Glyn's	10%
Antony Gibbs	11%	Yorkshire Bank	10%
Glen Durrant Trust	10%	Members of the Accepting House Committee.	
Greyhound Guaranty	10%	7-day deposits 6%, 1-month deposit 6%	
Grindlays Bank	10%	7-day deposits on sums of £10 000 and under £1, up to £25 000 7%; and over £25 000 7½%.	
Guinness Mahon	10%	Demand deposits 6%.	
Hambros Bank	10%	Call deposits over £1 000 6½%.	
Hawtin & Partners	13%		
Hill Samuel	10%		

FINANCIAL TIMES STOCK INDICES

	July 2	July 1	June 30	June 29	June 28	June 25	A Year ago
Government Securities.....	63.06	63.06	62.87	62.82	62.71	62.65	59.35
Treasury Interest.....	52.47	52.38	52.33	52.30	52.22	52.30	58.54
Industrial Ordinances.....	389.5	386.6	385.8	377.9	371.5	375.1	325.3
Gold Mines.....	148.1	147.8	152.2	148.7	161.8*	167.5	382.4
et. Div. Yield.....	5.64	5.67	5.71	5.78	5.87	5.76	6.28
average Yield annual.....	16.94	16.05	16.12	16.35	16.58	16.34	18.57
Electric and Gas.....	9.30	9.24	9.20	9.07	8.95	9.08	7.70
Bonding market.....	4,339	5,785	5,766	5,766	5,572	4,907	5,173
Gold Reserve Fund.....	—	44.13	38.86	34.39	35.26	46.21	49.38
Gold Reserve total.....	—	9,548	9,167	8,951	8,511	10,933	12,808
Gold Reserve total.....	—	9,548	9,167	8,951	8,511	10,933	12,808
IP a.m. 367.4	11 a.m. 359.7	Noon 351.2	1 p.m. 359.7				
IP p.m. 358.4	3 p.m. 358.8						
London Index 51-264	52-262						

INCUS AND LOWS S.E. ACTIVITY

HIGHS AND LOWS				S.E. ACTUARIES			
1926		Since Combination				July 2	July 1
	High	Low	High	Low			
Gold. Secs.	65.21	60.19	127.4	49.18	Daily		
	(11/16)	(11/16)	(11/16)	(11/16)	Gilt-Edged	158.1	156.1
Gold Ind.	64.45	59.75	150.4	50.53	Industrial	156.4	121.8
	(11/16)	(11/16)	(11/16)	(11/16)	Speculative	59.4	27.2
Gold Ord.	420.8	364.7	543.6	49.4	Total	98.8	84.8
	(11/16)	(11/16)	(11/16)	(11/16)	1-day Av. gr.		
Gold Mines	246.9	140.1	442.5	43.5	Gilt-Edged	137.4	150.3
	(11/16)	(11/16)	(11/16)	(11/16)	Industrial	128.0	125.6
					Speculative	32.8	34.7
					Total	87.5	86.7
FT—ACTUARIES INDICES							
	July	June	June	June	June	June	A year
	1	30	29	28	27	24	ago
Industrial Group	150.38	149.08	147.37	147.52	147.86	148.53	129.08
All shares	167.89	166.43	164.59	164.44	165.12	165.98	142.41
Per. Tissue	5.00	5.95	6.01	6.01	5.98	5.95	6.22
Per. Hand. Art.	10.13	10.04	9.93	9.92	9.96	10.82	7.02
Per. Stocks	167.03	156.41	155.80	155.68	156.27	155.03	139.28
Per. Varies	18.78	13.87	15.86	15.95	15.94	15.84	14.26

INSURANCE, PROPERTY, BONDS

OFFSHORE AND OVERSEAS FUNDS

As Montreal braces itself for the 1976 Olympics to start, Robert Gibbens reports from

A city which has lost its illusions

JUST UNDER two weeks to the armed with light sub-machine guns and rifles, are guarding the English-speaking West? They converges on that point. Often perimeters of the airports, and is mentioned, and the troubles ordinary Montrealers find it hard to hear themselves speak above the din of last-minute Olympics preparations. noisy efforts by strong labour groups to bring out final concessions, crowding of the centre stage by all political parties, and the aftermath of the "St. Jean" celebration of Quebec's patron saint on top of Mount Royal, the wooded hill in the centre of the city.

Premier Robert Bourassa presided at the official handover of the Olympics facilities to the Olympic Organising Committee, visibly relieved that all will be at least physically ready except for a few minor clean-ups, thanking labour profusely for the last-minute burst of speed, and adding almost as an afterthought that the cost will be about \$1.4bn.

Staggering opulence

Major Drapau stayed in the background. But he will get a Golden Mile — the Sherbrooke Street viaduct spanning the Olympic Village and the stadium and Velodrome — and his fountains and gardens, all for an extra \$18m. Money has indeed been spent like water these last few months to get the job completed.

Canadian armed forces men,

the English-speaking West? They look the other way when the cost of the Royal Canadian Mounted Police have full manpower at the terminals at Mirabel and Dorval, over the New York bond market. Checking is meticulous. Soldiers set them shrouded in their uniforms, and that some luxury homes are being done up for the games. Even though Vancouver's Habitat con-

cerns and organise a national lottery to raise some more cash.

In the intervening nine years since Expo, people generally are better off, despite inflation. But the "certainty factor" has declined. People do fear "incidents" at the Olympics, even though Vancouver's Habitat con-

'Montrealers are staggered by the size and opulence of the Parc Olympique in East End Montreal. . . . They look the other way when the cost is mentioned.'

Olympics facilities, and army week "for the duration," or that trucks are seen frequently in the two of the big hotels in the city streets. Helicopters from the centre will not be finished in military base at St. Hubert, just time because of construction labour troubles in 1974-75.

Soldiers operate the huge Olympics stores operation (computerised) at the old Longue Pointe camp in the East End — where only a few years ago refugees from Uganda were quartered temporarily.

The electronic surveillance system running several hundred miles along the U.S. border has been activated, and customs checks at road border crossings are strict.

Montrealers are staggered by the size and opulence of the Parc Olympique in East End Montreal. But at least it is the Federal Government still says it

ference went off peacefully, despite the political baragues.

They fear international extremists more than local groups, reinforced by the daily television reports of violence from Beirut, the Mid-East, and now South Africa. They know that feelings run deep when race and language are involved. But there will be jobs for several thousand students at the Olympics, many for as long as nine weeks. No one has much time to think about the recession that must follow.

The Government has been negotiating for months with the teachers' unions, both English and French-speaking, and the verbal violence has just subsided with general wage settlement. Schools have been in chaos most of this year because of stoppages. But many schools in the East End had to close early, anyway, to provide accommodation for the Olympics armed forces contingent.

Hospital service has also been disrupted for months by strikes by nurses and other workers. Hydro-Quebec has had its own problems with the unions, and blackouts have been common in many parts of the province. As the cost of public services rises, the standard of service goes down, and the public has not been slow to note this. Tempers have been frayed to the edge. Quebec will be lucky if all public services are back to normal by the Olympics opening.

No sooner is one problem area decided in importance than another hits the headlines and the TV screens. At the same time as bilingualism became a crisis in the air, leading to a pilots' walkout, the provincial Government completes testing of next September's batch of immigrant primary-school children wanting to go in the English-language State system rather than to French schools. Only those immi-

nants who pass the English test may go to English State schools, and the results showed a 75 per cent failure rate — to the anger once more of Montreal's Italian group, second largest in Canada, which has always wanted to send its young to English schools. They say they will fight it to Quebec City. The Government is neutral.

Ca re mal! The politicians sense the weariness among the mass of voters, with the continuous atmosphere of social crisis and the tendency towards the right shown in the opinion polls. Premier Robert Bourassa is convinced that he has the voter on his side in fighting the public service unions. Others feel the pressure too.

Mr René Lévesque, the leader of the Opposition Parti Québécois (PQ) (outside the National Assembly, since he has no seat) has been urging the Government to revamp social service payments to encourage the Quebecois to have more children again. He implies that with the birth rate down to well below the national average, the economic position of the French-speaking Quebecois will decline and the French proportion of Montreal's population also.

A volte face on James Bay

Mr. Lévesque has been on an official visit to the St. Lawrence hydro-electric project, and on behalf of his party has done a volte face: he now backs the concept of the hydro-project, and its huge scope (it is being slowed down this year because of austerity) and sees his party's noisy advocacy of nuclear power was misplaced, not least because of the world problem of waste disposal.

The PQ has withdrawn its financial support from the separatist Montreal newspaper Le Jour, on the ground that its views are too extreme (in the left-wing sense) and the PQ is being tarred too much with that brush. Le Jour's days are numbered, and it cannot much longer sustain its financial losses.

The North American nostalgia phenomenon has touched Quebec too, even though gauchos may be reigning supreme in the sultry summer streets, in contrast to the mini-skirt rage at Expo. After the Olympics, people will be demanding a pause, a ceasefire in the verbal violence, a return to social peace and some time for reflection. But for the moment it is on with the show.

THE JOBS COLUMN

Standards? Rubbish!

BY MICHAEL DIXON

READERS have better things to do than chase after shadows. So beware of any foolish involvement in the national cause now starting after "standards" in examinations such as the Ordinary levels of the General Certificate of Education.

What makes the word standards virtually meaningless is primarily the way such exams

are graded. In recent years — the result could well be a steadily deepening range of ability among the entry, with grades becoming generally easier to obtain. This process — not "falling standards" or any other mystical explanation offered by educators — is probably the main reason for the now-revealed research finding that from 1968 to 1973 O-level performances declined in quality, while being awarded relatively higher grades.

Similar norm-referenced devices make similar nonsense of the Certificate of Secondary Education exams, and also of GCE Advanced levels, which are the main factor in determining methods of grading at degree level are less fashionable. But even degree classifications are not the national "standards" — they are largely assumed to be.

In 1973 the median new graduate at Cambridge got an upper second-class honours, at Oxford an undivided second, at the University of Manchester Institute of Science and Technology, a lower second, and at Edinburgh a three-year ordinary degree as distinct from any honours award, which in Scotland generally requires four years of study. To the graduate only 10 per cent from the bottom of the year's ranking Cambridge still awarded a lower second honours and Oxford a second, compared with the other two universities' ordinary-degree awards.

The plain conclusion is that, unless subjects and awarding

Transparent Paper looks for recovery

Despite adverse economic conditions, capital expenditure on Transparent Paper has risen, says the chairman, J. F. E. Smith. The total is now £2.5 million, up three per cent from the group resources.

With the world recovering, and the company's sales up by 10 per cent, says the chairman, a group profit made a profit of £1.2 million for the year ended April against a record £1.1 million previously. The net dividend is 4.62 pence.

At one stage last year, profit was up to 80 per cent capacity, says the chairman, production having risen 10 per cent. The chairman is retiring, the managing director is Sir Basil W. July 27, 1974. His successor will be Kenyon.

SKETCHLEY

Years ended 31st March	1976	1975
Sales	£4,892	£4,013
Profit before tax	1,961	1,620
Profit after tax	962	745
Dividends per ordinary share	3.8171p	3.6p

Points from the Statement of the Chairman, Mr. N. C. Macdiarmid:

* Trading. The year was one of the most difficult trading periods experienced for many years. Price increases were restricted by the operation of the Price Code and the Group has been unable to retain in the business all of the benefits derived from its improved efficiency.

* Cleaning Division. Despite the long hot summer of 1975 and the depressed level of retail activity generally, sales were reasonably satisfactory, but inflationary pressures on costs inevitably reduced margins.

* Overall Service Division. The Division has continued to grow in the UK, but this growth has been restricted by increased unemployment. As a result of the Quality Cleaners acquisition, the Division has extended the area of its operations to the South West and to South Wales. It now serves customers in all the main industrial centres of the country from seven strategically sited works and has the facilities and management to take advantage quickly of any improvement in the market.

* Textile Division. The Division made a modest contribution to Group profits, despite depressed trading conditions in the textile industry. A major reorganisation of the entire textile operation is under way, following a far-ranging review of the Division's activities.

* Outlook. The current year has started encouragingly, with Group turnover in the first two months well ahead of turnover in the like period of last year, but it is not practicable to project results for the full year — the impact of increased costs and the operation of the Price Code on price increases are incalculable factors.

The Annual General Meeting will be held at 3.00 p.m. on Tuesday 27th July 1976 at the Registered Office, Rugby Road, Hinckley, Leicestershire, to be followed by an Extraordinary General Meeting to consider a Special Resolution to amend the Memorandum and adopt new Articles of Association.

Copies of the Report and Accounts are available from The Registrars, Tansley, Witt & Co., 105 St. Vincent Street, Glasgow, G2 5EG.

SKETCHLEY LIMITED
Hinckley, Leicestershire

Transparent Paper Limited PRODUCTION RESTORED AFTER DEEP RECESSION

Extracts from Mr. J. F. E. Smith's Statement:

The results although well down on last year are, in view of the circumstances in which they were earned, the most satisfactory since I joined the Board and they are a great credit to all who work for Transparent Paper. The industry both at home and in Europe has just been through its deepest recession since the war. At one stage the Company's production was cut to 60% of capacity. Full production was restored during the last week in March, and since that date the order book has lengthened. As far as the Home Trade is concerned, it is yet to be seen whether this represents genuine demand or merely customers' restocking.

Promising Year for Exports

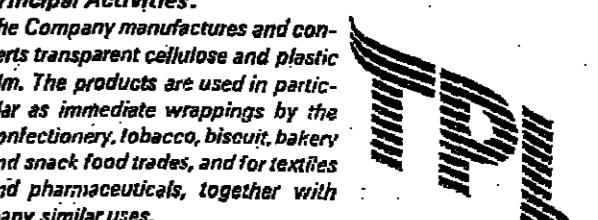
With the world recovering from recession and the apparent undervaluation of sterling, the coming year should be promising for exports.

Competitive pressures prevented the full recovery of cost increases which were again very large, especially in energy, labour and chemicals. For example, gas for steam raising has now increased in price by 33% since the end of 1973. The dollar price of dissolving pulp has remained stable, but sterling has been devalued by 22% during the 12 months of the Company's year.

Despite the adverse economic conditions, capital expenditure has remained high. The total is now £3 million over the last three years. This sum has been provided entirely from the Company's own resources.

Principal Activities.

The Company manufactures and converts transparent cellulose and plastic film. The products are used in particular as immediate wrappings by the confectionery, tobacco, biscuit, bakery and snack food trades, and for textiles and pharmaceuticals, together with many similar uses.



UK Optical & Industrial Holdings

Europe's biggest manufacturer of ophthalmic lenses

TENTH YEAR OF INCREASED PROFITS

Chairman Mr. G. C. D'Arcy Biss reports:

- * For the tenth successive year the Group achieved increases in both sales and profits.
- * Pre-tax Group profit amounted to £3.3m, compared with £2.6m in the previous year — a rise of 25%.
- * The Board recommends a final dividend of 2.8p per share, making a total for the year of 4.2p per share (1974/75 — 3.15p). Treasury consent for this 33% increase in total dividend was obtained at the time of the 1-for-4 rights issue last year.
- * Investment in production plant and equipment for the ophthalmic group totalled approximately £1.5 million. The majority of the mass production plant for ophthalmic lenses and frames has been replaced over the past three years by more modern and efficient equipment, thereby increasing production capacity by about 25%.
- * PROSPECTS — I am confident that the substantial investments we have recently made in increased and improved production capacity, combined with our strong cash position, mean that the Group is fully equipped to benefit substantially from any forthcoming economic upturn.
- * At the A.G.M. shareholders will be asked to approve a proposal to change the company name to UKO International Limited, subject to DTI consent. Following very substantial development overseas in recent years the new title will more adequately convey the current sphere of activity, whilst maintaining identity with the goodwill built up under the present title.

GROWTH RECORD

Sales	Pre-tax Profit	Earnings per share
1975/76 £28.0m	£3.3m	13.7p (on enlarged capital)
1974/75 £24.0m	£2.6m	11.3p (adjusted)
1973/74 £20.3m	£2.2m	10.1p (adjusted)
1972/73 £15.5m	£1.7m	9.0p (adjusted)

Copies of the Report and Accounts are available from The Secretary, UK Optical & Industrial Holdings Ltd., Selsley Hill, London NW7 1EN.

On 18th April, 1976 tin export control was reintroduced and remained in force throughout the rest of our financial year. This did not curtail mining operations in Nigeria or Thailand and it had only a minimal effect in Malaysia where a few of the dredges were required to work shorter hours. For the calendar year 1975

tin production fell from last year's figure of about 0.25 lb. per cu. yd. to 0.21 lb. per cu. yd. this year, and the interruption of operations in Thailand by strike action in January, which caused mining to cease for over two months in Nigeria, tin production increased slightly. Four of the smaller dredges ceased operating due to exhaustion of their ore reserves, two in Malaysia and two in Thailand, but work continued on the construction of the large new dredge for Berjuntai and this plant is expected to go into production within the next few weeks. In Nigeria the new mining plant mentioned earlier has not yet been completed, but it is hoped it will be operational later this year.

Export Control

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Exploration

On the exploration side, our programme in Australia has been directed mainly towards joint venture operations, so as to ensure substantial Australian participation and to reduce overall costs. We have been involved over the last few years with four other companies in a search for diamonds in a large economic and political stability area in the northern part of Western Australia, and recently running of the Group's operations can be maintained.

The Future

After a long history of successful achievement the Group's activities are now entering a new era, in line with the general trend in the present day approach towards the development of natural resources. We enjoy a cordial understanding with Pernas, the Malaysian Government undertaking which has already acquired a substantial joint stake in London Tin, and we have received from them firm assurances regarding the interests of staff either directly or indirectly in our employ.

Finally, I would like to express our gratitude and good wishes to the senior management, staff and labour force in Malaysia, Thailand and Nigeria, and to our prospecting team in Australia; also, not least, to our London Office staff who have responded so well to the extra workload put on them during the last few months.

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**Stewart
Wrightson**
International
Insurance Brokers

1 Camomile Street
London EC3A 7HJ

Telephone 01-523 7511
Telex 581161

FT SHARE INFORMATION SERVICE

CANADIANS

Dividends Paid Stock

Last Div. Cw/Gr.

Yield %

Price

Div. Paid

Stock

BUILDING INDUSTRY—Continued

Dividends Paid Stock

Last Div. Cw/Gr.

Yield %

Price

Div. Paid

Stock

DRAPERY AND STORES—Continued

Dividends Paid Stock

Last Div. Cw/Gr.

Yield %

Price

Div. Paid

Stock

ENGINEERING—Continued

Dividends Paid Stock

Last Div. Cw/Gr.

Yield %

Price

Div. Paid

Stock

**BRITISH FUNDS

Interest Due Stock Price Yield %

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ENDUST

M	State	Price	Ext.		Int.		Ext.		Int.		D
			Per	Net	Per	Net	Per	Net	Per	Net	
O.J. & C. ¹ 1/2	Arkansas	\$1.5	18	\$1.30	-	-	4.5	-	-	-	Jan
Seuf. ² ³ ⁴	Conn. ⁵ ⁶ ⁷ ⁸	\$2.0	42	7.98	+	4.5	4	4.5	4	4	Mar
Apr. ⁹ ¹⁰ ¹¹ ¹²	Alas.	\$1.0	24	1.32	-	22	11.1	-	-	-	Mar
Nov. ¹³ ¹⁴ ¹⁵ ¹⁶	Mo.	\$2	24	4.57	-	17	13.4	-	-	-	Feb
Aug. ¹⁷ ¹⁸ ¹⁹ ²⁰	Missouri Service	\$2	24	4.57	-	22	9.9	7.9	7.9	7.9	Nov
Mar. ²¹ ²² ²³ ²⁴	Mo. Inter City Rep.	\$1	12	0.5	-	25	13.0	4.7	4.7	4.7	July
Dec. ²⁵ ²⁶ ²⁷ ²⁸	Ind. Comm. Co.	\$1	12	0.65	-	32	0.7	5.5	5.5	5.5	June
Oct. ²⁹ ³⁰ ³¹ ³²	James (John)	\$1	24	2.57	-	12	14.5	7.5	7.5	7.5	Jan
Jan. ³³ ³⁴ ³⁵ ³⁶	John (John) ³⁷	\$1	24	2.57	-	23	22.0	22.0	22.0	22.0	Jan
Sept. ³⁸ ³⁹ ⁴⁰ ⁴¹	James (John W.) ⁴²	\$2.5	32	6.65	-	25	9.2	7.0	7.0	7.0	Jan
Oct. ⁴³ ⁴⁴ ⁴⁵ ⁴⁶	Jefferson Co.	\$1	24	10.49	-	23	10.0	7.0	7.0	7.0	Oct
Jan. ⁴⁷ ⁴⁸ ⁴⁹ ⁵⁰	John (John & S. M. ⁵¹)	\$1.5	12	0.75	-	14	10.5	6.5	6.5	6.5	Oct
Apr. ⁵² ⁵³ ⁵⁴ ⁵⁵	Johnson Chas.	\$1.5	12	0.75	-	23	10.7	6.5	6.5	6.5	Dec
Aug. ⁵⁶ ⁵⁷ ⁵⁸ ⁵⁹	Johnson Miller, El	\$1.5	12	0.75	-	14	10.5	6.5	6.5	6.5	Dec
Dec. ⁶⁰ ⁶¹ ⁶² ⁶³	Johnnie ⁶⁴ ⁶⁵ ⁶⁶ ⁶⁷	\$1.5	12	0.75	-	23	10.7	6.5	6.5	6.5	Dec
Nov. ⁶⁸ ⁶⁹ ⁷⁰ ⁷¹	Johnson John	\$1	12	0.5	-	23	10.7	6.5	6.5	6.5	Dec
Dec. ⁷² ⁷³ ⁷⁴ ⁷⁵	Johnson John	\$1.5	12	0.75	-	14	10.5	6.5	6.5	6.5	Dec
Nov. ⁷⁶ ⁷⁷ ⁷⁸ ⁷⁹	Johnson John	\$1.5	12	0.75	-	23	10.7	6.5	6.5	6.5	Dec
Dec. ⁸⁰ ⁸¹ ⁸² ⁸³	Johnson John	\$1.5	12	0.75	-	14	10.5	6.5	6.5	6.5	Dec
Dec. ⁸⁴ ⁸⁵ ⁸⁶ ⁸⁷	Johnson John	\$1.5	12	0.75	-	23	10.7	6.5	6.5	6.5	Dec
Dec. ⁸⁸ ⁸⁹ ⁹⁰ ⁹¹	Johnson John	\$1.5	12	0.75	-	14	10.5	6.5	6.5	6.5	Dec
Dec. ⁹² ⁹³ ⁹⁴ ⁹⁵	Johnson John	\$1.5	12	0.75	-	23	10.7	6.5	6.5	6.5	Dec
Dec. ⁹⁶ ⁹⁷ ⁹⁸ ⁹⁹	Johnson John	\$1.5	12	0.75	-	14	10.5	6.5	6.5	6.5	Dec
Dec. ¹⁰⁰ ¹⁰¹ ¹⁰² ¹⁰³	Johnson John	\$1.5	12	0.75	-	23	10.7	6.5	6.5	6.5	Dec
Dec. ¹⁰⁴ ¹⁰⁵ ¹⁰⁶ ¹⁰⁷	Johnson John	\$1.5	12	0.75	-	14	10.5	6.5	6.5	6.5	Dec
Dec. ¹⁰⁸ ¹⁰⁹ ¹¹⁰ ¹¹¹	Johnson John	\$1.5	12	0.75	-	23	10.7	6.5	6.5	6.5	Dec
Dec. ¹¹² ¹¹³ ¹¹⁴ ¹¹⁵	Johnson John	\$1.5	12	0.75	-	14	10.5	6.5	6.5	6.5	Dec
Dec. ¹¹⁶ ¹¹⁷ ¹¹⁸ ¹¹⁹	Johnson John	\$1.5	12	0.75	-	23	10.7	6.5	6.5	6.5	Dec
Dec. ¹²⁰ ¹²¹ ¹²² ¹²³	Johnson John	\$1.5	12	0.75	-	14	10.5	6.5	6.5	6.5	Dec
Dec. ¹²⁴ ¹²⁵ ¹²⁶ ¹²⁷	Johnson John	\$1.5	12	0.75	-	23	10.7	6.5	6.5	6.5	Dec
Dec. ¹²⁸ ¹²⁹ ¹³⁰ ¹³¹	Johnson John	\$1.5	12	0.75	-	14	10.5	6.5	6.5	6.5	Dec
Dec. ¹³² ¹³³ ¹³⁴ ¹³⁵	Johnson John	\$1.5	12	0.75	-	23	10.7	6.5	6.5	6.5	Dec
Dec. ¹³⁶ ¹³⁷ ¹³⁸ ¹³⁹	Johnson John	\$1.5	12	0.75	-	14	10.5	6.5	6.5	6.5	Dec
Dec. ¹⁴⁰ ¹⁴¹ ¹⁴² ¹⁴³	Johnson John	\$1.5	12	0.75	-	23	10.7	6.5	6.5	6.5	Dec
Dec. ¹⁴⁴ ¹⁴⁵ ¹⁴⁶ ¹⁴⁷	Johnson John	\$1.5	12	0.75	-	14	10.5	6.5	6.5	6.5	Dec
Dec. ¹⁴⁸ ¹⁴⁹ ¹⁵⁰ ¹⁵¹	Johnson John	\$1.5	12	0.75	-	23	10.7	6.5	6.5	6.5	Dec
Dec. ¹⁵² ¹⁵³ ¹⁵⁴ ¹⁵⁵	Johnson John	\$1.5	12	0.75	-	14	10.5	6.5	6.5	6.5	Dec
Dec. ¹⁵⁶ ¹⁵⁷ ¹⁵⁸ ¹⁵⁹	Johnson John	\$1.5	12	0.75	-	23	10.7	6.5	6.5	6.5	Dec
Dec. ¹⁶⁰ ¹⁶¹ ¹⁶² ¹⁶³	Johnson John	\$1.5	12	0.75	-	14	10.5	6.5	6.5	6.5	Dec
Dec. ¹⁶⁴ ¹⁶⁵ ¹⁶⁶ ¹⁶⁷	Johnson John	\$1.5	12	0.75	-	23	10.7	6.5	6.5	6.5	Dec
Dec. ¹⁶⁸ ¹⁶⁹ ¹⁷⁰ ¹⁷¹	Johnson John	\$1.5	12	0.75	-	14	10.5	6.5	6.5	6.5	Dec
Dec. ¹⁷² ¹⁷³ ¹⁷⁴ ¹⁷⁵	Johnson John	\$1.5	12	0.75	-	23	10.7	6.5	6.5	6.5	Dec
Dec. ¹⁷⁶ ¹⁷⁷ ¹⁷⁸ ¹⁷⁹	Johnson John	\$1.5	12	0.75	-	14	10.5	6.5	6.5	6.5	Dec
Dec. ¹⁸⁰ ¹⁸¹ ¹⁸² ¹⁸³	Johnson John	\$1.5	12	0.75	-	23	10.7	6.5	6.5	6.5	Dec
Dec. ¹⁸⁴ ¹⁸⁵ ¹⁸⁶ ¹⁸⁷	Johnson John	\$1.5	12	0.75	-	14	10.5	6.5	6.5	6.5	Dec
Dec. ¹⁸⁸ ¹⁸⁹ ¹⁹⁰ ¹⁹¹	Johnson John	\$1.5	12	0.75	-	23	10.7	6.5	6.5	6.5	Dec
Dec. ¹⁹² ¹⁹³ ¹⁹⁴ ¹⁹⁵	Johnson John	\$1.5	12	0.75	-	14	10.5	6.5	6.5	6.5	Dec
Dec. ¹⁹⁶ ¹⁹⁷ ¹⁹⁸ ¹⁹⁹	Johnson John	\$1.5	12	0.75	-	23	10.7	6.5	6.5	6.5	Dec
Dec. ²⁰⁰ ²⁰¹ ²⁰² ²⁰³	Johnson John	\$1.5	12	0.75	-	14	10.5	6.5	6.5	6.5	Dec
Dec. ²⁰⁴ ²⁰⁵ ²⁰⁶ ²⁰⁷	Johnson John	\$1.5	12	0.75	-	23	10.7	6.5	6.5	6.5	Dec
Dec. ²⁰⁸ ²⁰⁹ ²¹⁰ ²¹¹	Johnson John	\$1.5	12	0.75	-	14	10.5	6.5	6.5	6.5	Dec
Dec. ²¹² ²¹³ ²¹⁴ ²¹⁵	Johnson John	\$1.5	12	0.75	-	23	10.7	6.5	6.5	6.5	Dec
Dec. ²¹⁶ ²¹⁷ ²¹⁸ ²¹⁹	Johnson John	\$1.5	12	0.75	-	14	10.5	6.5	6.5	6.5	Dec
Dec. ²²⁰ ²²¹ ²²² ²²³	Johnson John	\$1.5	12	0.75	-	23	10.7	6.5	6.5	6.5	Dec
Dec. ²²⁴ ²²⁵ ²²⁶ ²²⁷	Johnson John	\$1.5	12	0.75	-	14	10.5	6.5	6.5	6.5	Dec
Dec. ²²⁸ ²²⁹ ²³⁰ ²³¹	Johnson John	\$1.5	12	0.75	-	23	10.7	6.5	6.5	6.5	Dec
Dec. ²³² ²³³ ²³⁴ ²³⁵	Johnson John	\$1.5	12	0.75	-	14	10.5	6.5	6.5	6.5	Dec
Dec. ²³⁶ ²³⁷ ²³⁸ ²³⁹	Johnson John	\$1.5	12	0.75	-	23	10.7	6.5	6.5	6.5	Dec
Dec. ²⁴⁰ ²⁴¹ ²⁴² ²⁴³	Johnson John	\$1.5	12	0.75	-	14	10.5	6.5	6.5	6.5	Dec
Dec. ²⁴⁴ ²⁴⁵ ²⁴⁶ ²⁴⁷	Johnson John	\$1.5	12	0.75	-	23	10.7	6.5	6.5	6.5	Dec
Dec. ²⁴⁸ ²⁴⁹ ²⁵⁰ ²⁵¹	Johnson John	\$1.5	12	0.75	-	14	10.5	6.5	6.5	6.5	Dec
Dec. ²⁵² ²⁵³ ²⁵⁴ ²⁵⁵	Johnson John	\$1.5	12	0.75	-	23	10.7	6.5	6.5	6.5	Dec
Dec. ²⁵⁶ ²⁵⁷ ²⁵⁸ ²⁵⁹	Johnson John	\$1.5	12	0.75	-	14	10.5	6.5	6.5	6.5	Dec
Dec. ²⁶⁰ ²⁶¹ ²⁶² ²⁶³	Johnson John	\$1.5	12	0.75	-	23	10.7	6.5	6.5	6.5	Dec
Dec. ²⁶⁴ ²⁶⁵ ²⁶⁶ ²⁶⁷	Johnson John	\$1.5	12	0.75	-	14	10.5	6.5	6.5	6.5	Dec
Dec. ²⁶⁸ ²⁶⁹ ²⁷⁰ ²⁷¹	Johnson John	\$1.5	12	0.75	-	23	10.7	6.5	6.5	6.5	Dec
Dec. ²⁷² ²⁷³ ²⁷⁴ ²⁷⁵	Johnson John	\$1.5	12	0.75	-	14	10.5	6.5	6.5	6.5	Dec
Dec. ²⁷⁶ ²⁷⁷ ²⁷⁸ ²⁷⁹	Johnson John	\$1.5	12	0.75	-	23	10.7	6.5	6.5	6.5	Dec
Dec. ²⁸⁰ ²⁸¹ ²⁸² ²⁸³	Johnson John	\$1.5	12	0.75	-	14	10.5	6.5	6.5	6.5	Dec
Dec. ²⁸⁴ ²⁸⁵ ²⁸⁶ ²⁸⁷	Johnson John	\$1.5	12	0.75	-	23	10.7	6.5	6.5	6.5	Dec
Dec. ²⁸⁸ ²⁸⁹ ²⁹⁰ ²⁹¹	Johnson John	\$1.5	12	0.75	-	14	10.5	6.5	6.5	6.5	Dec
Dec. ²⁹² ²⁹³ ²⁹⁴ ²⁹⁵	Johnson John	\$1.5	12	0.75	-	23	10.7	6.5	6.5	6.5	Dec
Dec. ²⁹⁶ ²⁹⁷ ²⁹⁸ ²⁹⁹	Johnson John	\$1.5	12	0.75	-	14	10.5	6.5	6.5	6.5	Dec
Dec. ³⁰⁰ ³⁰¹ ³⁰² ³⁰³	Johnson John	\$1.5	12	0.75	-	23	10.7	6.5	6.5	6.5	Dec
Dec. ³⁰⁴ ³⁰⁵ ³⁰⁶ ³⁰⁷	Johnson John	\$1.5	12	0.75	-	14	10.5	6.5	6.5	6.5	Dec
Dec. ³⁰⁸ ³⁰⁹ ³¹⁰ ³¹¹	Johnson John	\$1.5	12	0.75	-	23	10.7	6.5	6.5	6.5	Dec
Dec. ³¹² ³¹³ ³¹⁴ ³¹⁵	Johnson John	\$1.5	12	0.75	-	14	10.5	6.5	6.5	6.5	Dec
Dec. ³¹⁶ ³¹⁷ ³¹⁸ ³¹⁹	Johnson John	\$1.5	12	0.75	-	23	10.7	6.5	6.5	6.5	Dec
Dec. ³²⁰ ³²¹ ³²² ³²³	Johnson John	\$1.5	12	0.75	-	14	10.5	6.5	6.5	6.5	Dec
Dec. ³²⁴ ³²⁵ ³²⁶ ³²⁷	Johnson John	\$1.5	12	0.75	-	23	10.7	6.5	6.5	6.5	Dec
Dec. ³²⁸ ³²⁹ ³³⁰ ³³¹	Johnson John	\$1.5	12	0.75	-	14	10.5	6.5	6.5	6.5	Dec
Dec. ³³² ³³³ ³³⁴ ³³⁵	Johnson John	\$1.5	12	0.75	-	23	10.7	6.5	6.5	6.5	Dec
Dec. ³³⁶ ³³⁷ ³³⁸ ³³⁹	Johnson John	\$1.5	12	0.75	-	14	10.5	6.5	6.5	6.5	Dec
Dec. ³⁴⁰ ³⁴¹ ³⁴² ³⁴³	Johnson John	\$1.5	12	0.75	-	23	10.7	6.5	6.5	6.5	Dec
Dec. ³⁴⁴ ³⁴⁵ ³⁴⁶ ³⁴⁷	Johnson John	\$1.5	12	0.75	-	14	10.5	6.5	6.5	6.5	Dec
Dec. ³⁴⁸ ³⁴⁹ ³⁵⁰ ³⁵¹	Johnson John	\$1.5	12	0.75	-	23	10.7	6.5	6.5	6.5	Dec
Dec. ³⁵² ³⁵³ ³⁵⁴ ³⁵⁵	Johnson John	\$1.5	12	0.75	-	14	10.5	6.5	6.5	6.5	Dec
Dec. ³⁵⁶ ³⁵⁷ ³⁵⁸ ³⁵⁹	Johnson John	\$1.5	12	0.75	-	23	10.7	6.5	6.5	6.5	Dec
Dec. ³⁶⁰ ³⁶¹ ³⁶² ³⁶³	Johnson John	\$1.5	12	0.75	-	14	10.5	6.5	6.5	6.5	Dec
Dec. ³⁶⁴ ³⁶⁵ ³⁶⁶ ³⁶⁷	Johnson John	\$1.5	12	0.75	-	23	10.7	6.5	6.5	6.5	Dec
Dec. ³⁶⁸ ³⁶⁹ ³⁷⁰ ³⁷¹	Johnson John	\$1.5	12	0.75	-	14	10.5	6.5	6.5	6.5	Dec
Dec. ³⁷² ³⁷³ ³⁷⁴ ³⁷⁵	Johnson John	\$1.5	12	0.75	-	23	10.7	6.5	6.5	6.5	Dec
Dec. ³⁷⁶ ³⁷⁷ ³⁷⁸ ³⁷⁹	Johnson John	\$1.5	12	0.75	-						

INSURANCE

Stock	Price	Last	Div	Net	C.
(C. T.)	74	77.5	12.64		
Bd 10p	112	29.12	13.43		
S. 5p.	126	22.3	7.47		
Am. 51	725	24.1	10.66		
Am. 100	119	14.7	6.77		
122	16	4.99			
R.P.M.Cov.	1113	17.5	0.99		
Lam. Sp.	146	17.5	5.44		
Am. 100	149	3.5	3.81		
Royal	189	20.4	8.27		
E. 125p	395	17.5	11.10		
Am. 100	167	24.1	15.23		
(A) 100	150	8.3	2.47		
Gen. 5p.	117	24.4	4.65		
Am. 10p.	112	11.8	3.69		
Am. 5p.	110	20.4	4.64		
Unadjusted	59	20.4	3.42		
Wt. 25p.	190	17.5	10.00		
Am. 25p.	122	17.5	2.04		

PROPERTY—Cont'd

	Stock	Price	Last	Div	Net	Cvr.
Dept.	Brown-Boveri	66 ^{1/2}	26.0	2.11	6	
	Brown New Note, \$1	110 ²	—	—	—	
	Forum Prog. 10p	45 ^{1/2}	22.0	40.25	1.6	
	Federal Est. Sp.	5 ^{1/2}	3.7	—	—	
	Gilgate 10p	9	11.75	—	—	
Gen.	Glendale Sec.	145	13	11.25	1.1	
Dept.	Gl. Portland Sp.	230	83	3.55	1.0	
Dec.	Green B.I. 10p	22	8.0	11.34	0.7	
Dec.	Greenfield Sp.	9	11.25	0.13	1.4	
	Hammerton 'A'	342	19.5	4.52	1.6	
	Hawley Tel. & T.	30	20.18	1.3	1.8	
July	Hedgeman 10p	197	12.12	2.66	3.6	
Sept.	Hky Land H.K.S.	121	15	0.29	1.2	
Jan.	Hix Property	142	31	2.31	1.9	
July	Interimcoastal Sp.	69 ^{1/2}	23.2	2.15	0.8	
July	J. & P. Blodget	100 ²	107.5	31.15	—	
	Jernyn Invest.	28	2.8	1.59	1.0	
July	Keith & Head Sp.	86	3.11	40.89	2.7	
July	Kirk & T. Co. Sp.	204	2.41	4.32	1.0	

TRUSTS

Weeks End	Stock	Price	Last W.	Div Net	Ch.
July	Altifund Inc. 50p.	96	146	6.75	
July	Do. Capital 50p.	111	146	0.34	
July	Anshur Inv. Inc.	340	146	3.25	
	Do Cap.	32	-		
May	American Trust	300	56	1.35	
	Do "B"	280	-		
Mar.	Anglo Air. Secs	83	232	2.35	
Apr.	Anglo-Int. Div.	330	232	2.6	
	Do Asset Shs.	73	-		
Dec.	Anglo-Soc. Inv.	51	35	2.4	
April	Anglo Welsh 50p.	30	83	1.0	
June	Do CYA/FPI 50p.	48	26.1	56%	
Feb.	Archimedes Inc.	470	26.6	4.29	
	Do Cap. 50p.	202	-		
June	Arg Inv. (A.I.)	142	111	5.60	
Mar.	Autobahn Inv.	95	26.6	13.05	
January	Autumn Bell. Mfg.	37	112	0.15	
	Do Warrant	18	-		
	Autumn Inv. Corp.	10	-		

— TRUSTS—Continu

	Stock	Price	Last	Div	Yld
		\$	#	Net	%
Standard Tel.	105	92	4.2	11	6
Stanhope Gen.	78	29.12	2.49	+	5
Sterling Tel.	131	146	4.1	11	4
Stockholders Inv.	65	114	1.55	12	3
Technology	70	30.6	2.0	12	4
Du "Z"	65	-	-	-	-
Telephone & Gen.	128	23.2	7.0	12	8
Temple Inv.	86	23.2	5.0	11	5
Thiel Inv. 50%	40	13.2	2.4	13	7
Thurg. Growth	18	23.2	1.87	10	16
Do. Cap. 51	62	-	-	-	-
Thurmont	44.50	26.6	83.62	11	12
Do. B.Y.T. 7%	57.00	22.2	80.81	10	10
Tokamak 10%	52.50	12.12	3.5	3.1	10
Tor. Invest. Inc.	48	23.2	3.79	12	23
Tor. Invest. Cap.	76	28	0.38	-	0
Tropic. Oceanic	126	23	3.65	10	4
Tribune Inv. 50%	22	22	9.6	14	2
Tribune Inv. 50% 10%	57	54	3.54	10	11

Serving the world
with
financial expertise.

SANWA

BANK

Tokyo, Japan

MILIES—Continued

FAR WEST RAND		Last Price Stock	Div d	Div Net.	Y.M. Cov Gr's
Wavor 25	415m	24.6	Q75c	+	10.7
Winfels RI	500	14.6	Q125c	+	9.3
Westkraal RI 20.20	126				
Woorfontein RI	320m	28.6	Q55c	+	10.2
West Drie RI	670m	28.6	Q75c	L7	6.6
Westend Gold Co. 20c	190				
Wesbury RI	110m	28.6	Q125c	1.6	+
Wierbeek RI	511m	28.6	Q190c	+	10.2
West Gold RI	430m	28.6	Q47c	+	6.5
Weston RI	420m	28.6	Q80c	+	11.3
Westvlei 50c	490	29.12	Q8c	1.3	1.0
Witfontein 50c	162	14.6	Q36c	2.2	+
Witbank 50c	513.5m	28.6	Q175c	2.1	+
Wit Bank 50c	170m	28.6	Q70c	1.9	+
Witwatersrand RI	217.3m	28.6	Q35c	4	11.2
W. Drie RI	168m	28.6	Q52c	1.6	+
Western Areas RI	810m	28.0	Q175c	1.6	+
Western Deep RI	210m	28.6	Q111c	5.8	+

O.F.S.

Dec. 50c.	100	26.1	Q14c	15	83
Jul 50c	124	22.3	Q24c	13	+
Aug 50c	160	22.9	Q34c	0	22
Sep 50c	150	22.3	Q44c	0	110
Oct 50c	100	22.9	Q15c	0	36
Nov 50c	111.2	22.3	Q25c	13	+
Dec 50c	150	22.3	Q35c	22	+
Jan 50c	124	5.6	Q45c	12	+
Feb 50c	116				
Mar 50c	222	22.3	Q16c	17	+
Apr 50c	164	22.3	Q26c	12	+
FINANCE					
Coal 50c	490	8.3	MONOC	28	4.6
Oil 50c	276	22.3	Q27c	19	7.2
Gold HI	\$171.4d	22.3	Q37c	13	+

150c	131	12.12
Cans.	160	14.6
Old Fields	172	5.4

et Com. 10p.	16	223	10	4	9.6
et R. RL	260	92	Q40C	15	9.1
ing EC	f16	223	Q210C	21	7.8
et S.A. 35c	15	52	Q225C	13	8.3
Com. RE	f17 ²	261	Q165C	25	5.6
et SE	2490M	256	Q35C	4	7.2
SED-140	228	89	Q144C	—	—
Se	105	232	Q144C	16	11.3
FL	111 ³	—	Q200C	15	11
ection 50c	4907M	26.6	Q175C	15	3
Trust	4759d	26.6	15.2	4	4.9
Se	1854d	26.6	Q30C	4	9.6
nes 7-p	56	229	3.0	4	8.5
et 229	175	54	17.67	20	15.7
et 141	210	16	Q35C	20	15.7
et R1	210	92	Q30C	18	11.2
ppm. 5.2%	220	223	Q35C	14	8.6
c	70	23.2	Q35C	14	5.5

de Pit. Hc. 108 146
Df. 5c 214 223

FL No.	FL No.	FL No.	FL No.
1112	16 Q030%	9 Q013%	10113
119	20.4 Q02%	15 Q15%	15 16
125	20.4 Q05%	15 Q19%	19 19
126	20.4 Q05%	15 Q20%	19 20
127	20.4 Q05%	15 Q20%	19 19
128	20.4 Q05%	15 Q20%	19 19
129	20.4 Q05%	15 Q20%	19 19
130	20.4 Q05%	15 Q20%	19 19
131	20.4 Q05%	15 Q20%	19 19

CENTRAL AFRICAN			
125	85	3.5 Q04%	21 \$
126	110	22.3 Q05%	13 -
127	12	8.3 Q5%	6.5 7.2
128	170	12.74 Q016%	4.7 \$
129	150	14.4 Q10.0	6.5
130	68	30.4 Q9%	18.0 11.1
131	52	5.4 Q05%	13 10.0
132	31	11.74 Q05%	3.2 6.6

AUSTRALIAN			
125	27	-	-
126	294	14.9 Q7%	8 -
127	164	8.9 Q7%	4.5

Wise 50c 185 974
Burke 51. 40 667

Areas 5p	74	28.7	1.18	4.2	25
area 5c	76	—	—	—	—
area 20c	17	—	—	—	—
area 50c	—	—	—	—	—
area 50c	263	9.2	0.10c	1.6	+
well 25c	98	—	0.05c	2.4	+
well 10c	—	—	—	—	—
Hill 51	183	3.5	0.9c	1.4	3.2
gurli	5	—	—	—	—
area 5A1	94	23.9	0.08c	1.3	5.6
upper 25c	32	—	—	—	—
area 12c	151 ^a	—	—	—	—
MABx 5p	151 ^a	—	—	—	—
Uland 50c	529	36.9	0.15c	4	2.8
20c	290	30.6	—	—	—
area 50c	19	—	—	—	—
10c	7	—	—	—	—
using 50c	190	5.6	0.05c	0.8	+
neek 20c	55	—	—	—	—

255	83
28	112
222	123

	1962	1963	1964	1965	1966	1967
10p.	12.2	12.2	12.2	12.2	12.2	12.2
10p.	28.6	1.0	1.0	1.0	1.0	1.0
245	8.9	12	23	23	23	23
10	10.76	—	—	—	—	—
245	3.5	11.0	13	13	13	13
78	11.67	—	—	—	—	—
66	3.5	7.15	8	8	8	8
7	4.67	—	—	—	—	—
38	20.18	27.0	12	12	12	12
245	12.12	20.00	20.4	20.4	20.4	20.4
11	—	47.47	47	47	47	47
in 50p	172	3.5	47.47	47	47	47
edging	205	3.5	10.7	20	20	20
27*	22.9	10.62	26	26	26	26
10p.	45	3.5	7.0	1.5	1.5	1.5
50p.	122	27.0	—	—	—	—
50p.	40	11.8	12.5	12.5	12.5	12.5
50p. (10p.)	78	26.1	42.5	42.5	42.5	42.5
50p.	157	15	10.7	10.7	10.7	10.7
50p. (2p.)	42	2.5	—	—	—	—
by 50p.	34	97.8	22.00	22.00	22.00	22.00
50p.	48	1.0	1.0	1.0	1.0	1.0
Hdr. 50p.	45	31.1	10.27%	10.27%	10.27%	10.27%

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COPPER					
EST. 18	57				
18.50	.270	14.10	18.50c	1.8	7.7
<u>IMMEDIATE</u>					
Lines 12-22	55	19.5	0.1	+	2.9
all Sp.	27.4	36.7			
etc. inc.	9.00	28.4	1000c	1.6	5.3
	35	—		—	—
etc CSI	350	21.3			
	220	35	5.42	2.2	3.8
etc. CSI	57	—		—	—
etc. SI	514.3	—		—	—
etc. SI	85	14.6	2.17	4	3.9
etc. CSI	140	11.6	—	—	—

dedicated, prices and not at
variations from 25%.

shareholders an latest annual reports and accounts are updated on half-yearly figures; they are expressed as per cent. Earnings are calculated on the basis of audited figures (adjusted 10 per cent, or more if necessary) and expressed as per cent of "all" distribution. Dividends are based on distribution. Yields, assuming maintenance of dividend rate of ACSI, are based on mid-life prices. The values of disclosed distributions and rights, and options other than sterling are quoted in current dollar prices.

and after paying Corp. and
certain dividends or fore-
fees.

reduced final and/or reduced earnings
dividends.

Conversion of shares not now ranking for
dividends only for restricted dividend.

Allow for shares which may also rank for
dividends at some date. No P/E ratio usually provided.

Dividend declaration.

Units based on prospectus or other official
statement.

Dividend rate paid or payable on part of
the dividend to full capital. a Redemption
value. b Assumed dividend and yield.
c Yield after scrip issue. d Payment
date. e Kenya. f Issue date higher than
date of issue pending. g Earnings based on
Australian currency. h Dividend and
payment. i Indicated dividend; cover
dividend, P/E ratio based on latest annual
dividend; cover based on previous year's up
to 30% in the f. j Yield allows for
Dividend and yield based on most recent

Levittown and your home to include a special payment next.

yield. B Preference dividend passed or
not. C Interim. G Assumed dividend
on ex scrip and/or rights issue. H Figures
and other official estimates for
based on prospectus or other official
Dividend and yield based on prospectus or
figures for 1976. I Gross. J Figures
of significant Corporation Tax payable.
Date.

dividend = ex scrip issue; ex rights
distribution.

es" and "Rights" Page 19

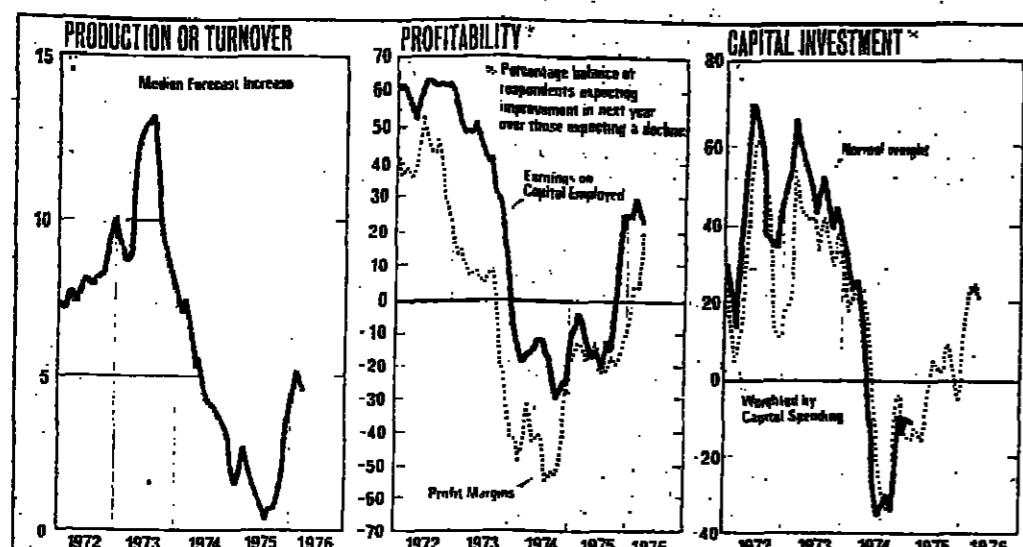
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FINANCIAL TIMES

Monday July 5 1976

EQUITY CAPITAL
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FT Monthly Survey of Business Opinion**Export-led recovery looks promising**

THE CHANCES of an export-led recovery are now distinctly promising. The latest monthly survey of business opinion by the Financial Times finds record optimism among exporters at a time when industry still has capacity to spare.

The flow of orders generally continues to improve. But output is still dominated by demand factors and the relatively few supply difficulties which are being reported are all highly localised.

There is increasing optimism about further reductions in the rate of wage increases, following the new TUC-Government pay deal. The medium forecast increase for wage costs in the hope of overall earnings next 12 months has fallen below the current financial year by 10 per cent. for the first time since the beginning of 1974.

But industry is concerned that rising material costs may slow mechanical engineering and down the rate of reduction in chemicals and oils sectors last month. Unit costs and in output month.

Nevertheless, industry is hopeful of a further improvement in profit margins as volume grows. The main restraining factor will be competition rather than the Price Commission which, even before the latest easing of the price code, was seen more as a time-consuming nuisance than as an effective influence on market prices.

Market pressure also explains why many companies are less optimistic about overall earnings next 12 months ahead. This contrast

is particularly evident in the survey—which was also based on interviews with shipping and transport companies—reveals a picture of economic recovery still in its early stages. Production is now rising but it will be some time yet before a marked reduction is likely to be made in the numbers of unemployed.

More companies are expecting to make do with less labour than some of the latter do not see the need for extra labour occurring much before the end of this year or the beginning of next.

Indications of a recovery in investment spending and in stock-building are also relatively modest.

Rise in bank lending shows signs of slackening

BY MICHAEL BLANDEN

THE SHARP rise in bank lending revealed by recent figures may have begun to slacken in the past few weeks, according to the latest indications at the big banks.

The statistics due from the clearing banks on Wednesday, covering the period to the middle of last month, will be examined with particular interest for any indication of the underlying trend.

In the two months to mid-May, the banking sector as a whole is estimated to have increased its lending to the private sector in sterling by nearly £600m., after making allowance for seasonal and other special factors. The London clearing banks alone may have seen a rise of about £400m. in that period.

The banks indicated, however,

that they had so far seen little sign of a real increase in demand from their industrial customers for finance for new investment, and there are some indications that re-stocking may have started on a modest scale.

These factors would be associated with the need to finance "leads and lags" over the exchange market as companies attempted to protect themselves against the decline in the value of sterling.

The big banks have remained pessimistic about the outlook for their lending to industrial customers, with the level of new investment expected to remain flat.

However, recent indicators have suggested that economic recovery is moving faster than expected. In particular, there

Dublin fear of economic warfare by Loyalists

BY GILES MERRITT

FEARS that Ulster's Loyalist paramilitary extremists have decided to declare "economic warfare" on the Irish Republic were being voiced in Dublin yesterday after the weekend's bombing raids on four major tourist hotels by the Protestant Ulster Freedom Fighters.

The bombings, which were claimed by the UFF as the action force of the powerful Ulster Defence Association, were allegedly in retaliation to the Provisional IRA's recent attacks on prominent Protestant businesses in Northern Ireland.

Ireland's Premier, Mr Liam Cosgrave, who was himself involved in a bomb scare following the explosions, has pointed out that the number of British tourists visiting the Republic has now fallen by about 300,000 compared with the mid-1960s. But Ulster holidaymakers who visit the South have of late increased in number and now total as many as before the troubles began in 1969. Irish tourist authorities concerned that the Loyalist private armies may be intending to strike back at the Republic's economy by singling out such tourist centres as the four leading hotels that were subjected to bomb attacks.

The telephoned warnings of the bombings, given by a man describing himself by the code name of "Captain Black" of the Ulster Freedom Fighters, said that the bombs in Dublin's Gresham Hotel, the Royal George in Limerick, and the Great Southern Hotels in Rossare and Killarney, were in retaliation to the IRA killings of Northern businessmen.

He warned: "If there are any more killings, there will be no warnings the next time."

The attacks on hotels were also backed up by a campaign

Electricity industry expects surplus between £5-£10m.

BY ROY HODSON

THE ELECTRICITY industry expects to be able to announce a surplus of between £5m. and £10m. for the financial year 1975-76 when the results are published at the end of this month.

Although the profits will be modest they will represent a big turn-round from the industry's losses of the past two years—£258m. in 1974-75 and £176m. in 1973-74.

The industry's performance is more creditable because it has been accomplished during a year when electricity sales have slumped by 3.3 per cent.

The major contributor to the improved financial situation in demand. It is estimated that the industry has been the Central Electricity Generating Board's "cash cow". As a result of the wholesale end of the industry, the CEBG has made a profit of nearly £90m., its first surplus for three years. After paying £275m. interest charges the CEBG has made a profit of nearly £90m., its first surplus for three years. The fall in sterling has been generally identified as one of the factors contributing to the investment expected to remain flat.

Meanwhile, it has achieved a saving of more than 4 per cent. in man-power during the year at that electricity prices are now at a realistic level.

Editorial Comment, Page 10

TIMES last week, Egypt has been negotiating a contract with General Mohammed Abdel Ghani Vesper Turbocraft (whose yard General Gamassi visited) for the refitting Soviet-built Osas and Scorpion tank and the Scorpion missile boats. The armoured vehicles were in action. Some of the area electricity boards are expected to show losses on their own accounts for the past year.

The Arab Military Industries Organisation, which the four countries were setting up to manufacture weapons, had now taken institutional shape and had its own factory sites ready.

Over the past year and a half discussions have taken place on the possibility of the organisation assembling both the Lynx helicopter and the Hawk.

Among the other defence establishments he visited were the Military Vehicles and Engin-

Suarez moves on Spanish Government

BY ROGER MATTHEWS

SR. ADOLFO SUAREZ chosen face to the world. His speech last night as Prime Minister by King Juan Carlos, today began contacts aimed at forming a new government. His appointment came as a shock to most political leaders who had been expecting the king to choose a man with far more experience of administration, wider political links and with developed international contacts.

Only 43, Sr. Suarez has been in the Cabinet for just six months and is Secretary-General of the National Movement, still the only legal political organisation in Spain formed by General Franco after the Civil War to bring together forces which had supported him.

Surprised

After an interview with the 38-year-old king last night, Sr. Suarez promised that the political reforms undertaken by his predecessor, Sr. Carlos Arias, would continue. He also gave every appearance of being surprised by the king's choice.

Reaction from most Left-wing parties has been one of grave disappointment. They had anticipated that the departure of Sr. Arias, coming so soon after the king's promises in the U.S. to introduce a true democracy, meant that a man with more obvious liberal sentiments would take over as Premier.

The Right wing, however, expressed general satisfaction, with the leader of the extremist Guerrilla of Christ the King emphasising his belief that many people's favourite candidate, Foreign Minister Jose Maria de Arellano, had been passed over.

This was widely echoed among the most confirmed anti-democrats in the regime, although some sources close to the king still claim that Juan Carlos wanted his Foreign Minister to lead the government. Sr. Suarez's meteoric rise to power was charted almost entirely through the National Movement, where he was seen as presenting its more modern

THE LEX COLUMN**Merchant banks lose status**

With Hambrus publishing last week, full reports are now available for the four largest merchant banking groups, the others being Kleinwort Benson, Hill Samuel and Schroders. All four have, of course, shown substantial earnings recoveries for years ending either last December or March—the average being a 47 per cent. improvement at the attributable level. But the stock market has become disenchanted with the sector, which has shown pronounced relative weakness in recent months—especially in March and April.

Apart from the obvious problems of age, the more senior members of Sr. Arias' government had tended to dismiss the new Premier as a useful, fairly intelligent and handsome colleague, but essentially a political lightweight.

Close attention will be paid in the new Cabinet to the selection of the Ministers to handle the difficult economic situation. Sr. Suarez is associated with the loosely defined group of so-called "technocrats" and the lay Catholic organisation Opus Dei, which may now enjoy a resurgence of influence.

Dismay

The reappearance of "technocrats" and Opus Dei in the Government will be greeted with dismay by most democratic forces in Spain and probably will not increase the already dim chances of achieving any form of social pact designed to check the fresh upsurge in the rate of inflation.

Over the longer term, observers here to-day stress that the king has now identified himself with the performance of the Prime Minister and that a Government failure would bring with it parallel consequences for the monarchy.

problem. Hambrus "would strongly resist" any attempt by the Revenue to enforce a theoretical tax liability of £3.75m. which arises because increases in the sterling value of its dollar debt cannot at present be offset against gains in the value of assets financed by such borrowings.

Hambrus' mooted flotation of Hambrus Life provides one example of how new capital can be generated in entrepreneurial ways. But in general the merchant banks may be turning more in the direction of fees and earnings business, and extending their non-banking activities—thus Kleinwort's end-1975 holdings of commodities were much higher, at £33.6m., than in previous years.

For shareholders, the result may be to make the future course of earnings more uncertain. The continued practice of using inner reserves may also be acting against the mere for a sixth of group pre-tax profits last year. Hambrus' initial 40 per cent. float-off led to provisions of which it took against reserves the 1972-73 accounts. Unstated stake in Nigeria arises the UAC International where the company's revenue is accounted for in the value of assets financed by such borrowings.

When business volumes become more buoyant, the short-term constraints will appear.

With disclosed free capital ratios of typically about 7 per cent. (inner reserves will add to that they are hiding losses Nigeria made 1974-75 profits this) the merchant banks are large holders of net monetary assets and are more vulnerable.

But on yield grounds the sector 270m.

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